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 David R. Catanach Division Director Oil Conservation Division



14

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: <u>12-3-15</u> Well information; Operator <u>WPX</u>, Well Name and Number <u>W Ly Prook Unit #14747</u>H

API# 30-045-35742, Section 12, Township 23 NS, Range 09 E/W

Conditions of Approval:

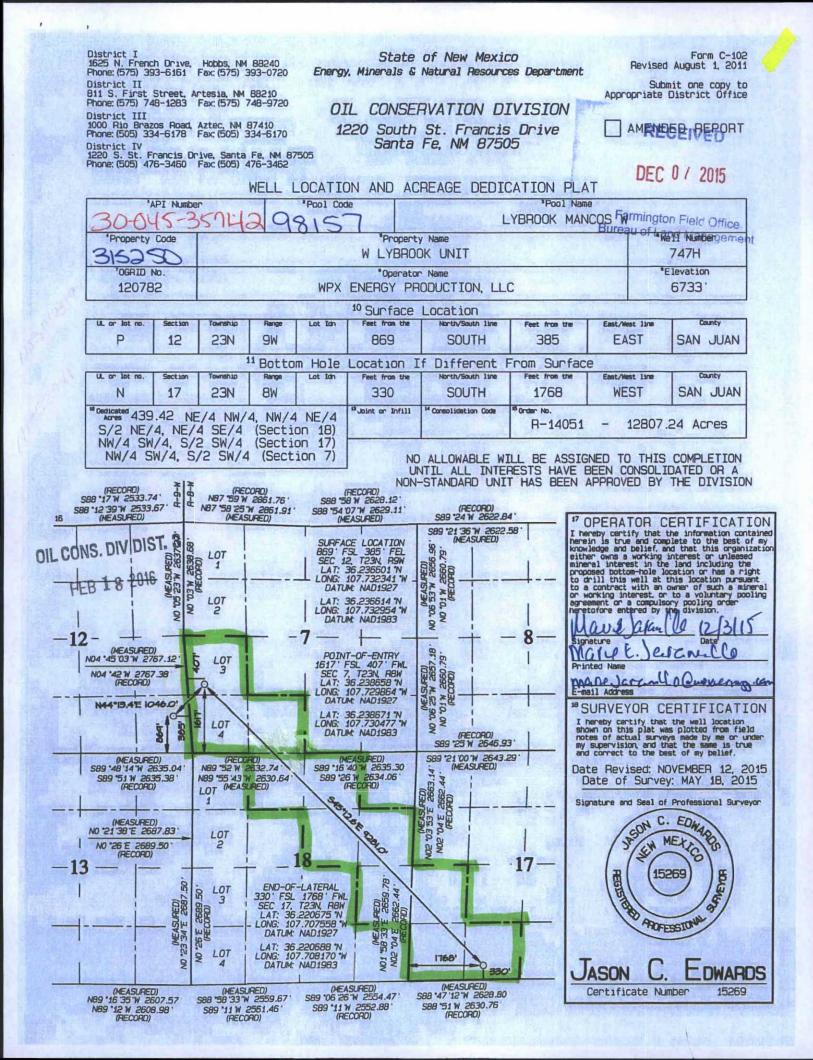
(See the below checked and handwritten conditions)

- 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
 - 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.

NMOCD Approved by Signature

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 | | RECEIVE | 0 | | | |
|---|---|---|--|--|---|---|
| (September 2001) | ATES | DEC 0 / 20 |)15 | FORM A OMB No Expires Jar | APPROVED 0. 1004-0136 100ary 31, 200 | 4 |
| DEPARTMENT OF TI | | | | 5. Lease Serial No. | | |
| BUREAU OF LAND M | ANAGEMENT | uon Heit | tan | N0-G-1401-1867 | | Share a |
| APPLICATION FOR PERMIT TO | O DRILL OR REEN | ITER and Man | agement | 6. If Indian, Allottee | or Tribe Na | ime |
| la. Type of Work: 🛛 DRILL 🗌 REI | ENTER | Ar X | | 7. If Unit or CA Agre | eement, Nam | e and No. |
| | | | - | NMNM 135216X 8. Lease Name and W | | |
| 1b. Type of Well: Oil Well Gas Well Other | Single 2 | Zone 🗌 Multip | ole Zone | W. Lybrook Unit # | | |
| 2. Name of Operator | | | | 9. API Well No. | 257 | 1 |
| WPX Energy Production, LLC 3a, Address | 3b. Phone No. (inc. | lude area code) | | 30-045- | Exploratory | 42 |
| P.O. Box 640 Aztec, NM 87410 | (505) 333-180 | | | Lybrook Mancos | | |
| 4. Location of Well (Report location clearly and in accordance wi | | | | 11. Sec., T., R., M., or | | rvey or Area |
| At surface 869' FSL & 385' FEL SEC 12, 23N 9W | | | SESE | SHL: Sec 12, T23 | N, R9W | |
| At proposed prod. zone 330' FSL & 1768' FWL SEC 17, 23 | 3N 8W | | SESL | UBHL: Sec 17, T23 | N, R8W | |
| 4. Distance in miles and direction from nearest town or post offic | ce* | | 1 | 2. County or Parish | 1 | 3. State |
| From intersection US HWY 550 & US HWY 64 Bloomfie | | | | San Juan | | NM |
| Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 385' | 16. No. of Acres | in lease | 17. Spacing U 439.42 acres | Jnit dedicated to this v | IL CONS | . DIV DIST. |
| B. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 160 acres 19. Proposed Der | pth | 20. BLM/BLA | Bond No. on file | | 1 8 2016 |
| 20' | | D/4878' TVD | B001576 | | | |
| Elevations (Show whether DF, KDB, RT, GL, etc.) | | e date work will sta | art* | 23. Estimated duratio | n | |
| 6733' GR | January 1, 20 24. Attachme | | | 1 month | | |
| A Drilling Plan. | | Item 20 above). | | | | |
| A Surface Use Plan (if the location is on National Forest Sy SUPO shall be filed with the appropriate Forest Service Of | stem Lanus, me | | ecific inform | ation and/or plans as | s may be rea | quired by the |
| A Surface Use Plan (if the location is on National Forest Sy SUPO shall be filed with the appropriate Forest Service Of 5. Signature MMM AMM I itle | stem Lanus, me | Such other site sp authorized officer ted/Typed) | ecific inform | ation and/or plans as | Date 12/315 | quired by the |
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| A Surface Use Plan (if the location is on National Forest Sy SUPO shall be filed with the appropriate Forest Service Of . Signature the ermit Technician III pproved by (Signature) the application approval does not warrant or certify that the applicant the erations thereon. moditions of approval, if any, are attached. the 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, maters any false, fictitious or fraudulent statements or representation instructions on reverse) PX Energy Production, LLC, proposes to develop the Lybrook Net plans. e well pad surface is under jurisdiction of the BLM and FIMO a is location has been archaeologically surveyed by La Plata. Cop | Anne (Print Marie E. Ja Marie E. Ja Marie E. Ja Marie E. Ja Marie E. Ja Marie E. Ja Office holds legal or equitable titl make it a crime for any pers as as to any matter within it Mancos W formation at the and is on lease on IA lands bies of their report have been permitted via the APD | Such other site sp authorized officer ted/Typed) aramillo ted/Typed) Eted/Typed Eted/Typed) Eted/Typed Ete | the subject lea willfully to m ocation in accord d with the W. | se which would entitle ake to any departmen ordance with the attack Lybrook Unit #707H/ FIMO, BIA & NNHI E OF THIS | Date 12/315 Date 2// e the applican t or agency of hed drilling a /708H/709H/ PD. | TILG nt to conduct of the United and surface 748H/749H. |
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WPX Energy

Operations Plan

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

| Date: | December 7, 2015 | Field: | Lybrook Mancos W |
|---------------------|----------------------|------------|------------------|
| Well Name: | W Lybrook Unit #747H | Surface: | IA |
| SH Location: | SESE Sec 12-23N-09W | Elevation: | 6733' GR |
| BH Location: | SESW Sec 17-23N-08W | Minerals: | FED |

Measured Depth: 14,810.92'

I. <u>GEOLOGY:</u> SURFACE FORMATION - NACIMIENTO

| NAME | MD | TVD | NAME | MD | TVD |
|-----------------|-------|-------|---------------|-----------|----------|
| | | | | | Relier |
| OJO ALAMO | 610 | 610 | POINT LOOKOUT | 3,842 | 3,677 |
| KIRTLAND | . 772 | 772 | MANCOS | 4,029 | 3,852 |
| PICTURED CLIFFS | 1,353 | 1,340 | GALLUP | 4,389 | 4,191 |
| LEWIS | 1,478 | 1,459 | KICKOFF POINT | 5,133.63 | 4,805.72 |
| CHACRA | 1,672 | 1,641 | TOP TARGET | 5,352 | 4,897 |
| CLIFF HOUSE | 2,852 | 2,748 | LANDING POINT | 5,529.92 | 4,921.00 |
| MENEFEE | 2,870 | 2,765 | BASE TARGET | 5,529.92 | 4,921.00 |
| | 1.10 | | TD | 14,810.92 | 4,878.00 |

A. FORMATION TOPS (KB)

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

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

D. <u>NATURAL GAUGES</u>: 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 ¾" Directional Vertical hole, and the curve portion of the wellbore. A 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. <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 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.

III. MATERIALS

A. CASING PROGRAM:

| CASING TYPE | OH SIZE (IN) | DEPTH (MD) | CSG SIZE | WEIGHT | GRADE | CONN |
|--------------|--------------|-----------------------|----------|----------|----------------|------|
| SURFACE | 12.25" | 320.00' | 9.625" | 36 LBS | J-55 or equiv | STC |
| INTERMEDIATE | 8.75" | 5,529.92' | 7" | 23 LBS | J-55 or equiv | LTC |
| PRODUCTION | 6.125" | 5379.92' - 14,810.92' | 4.5" | 11.6 LBS | P-110 or equiv | LTC |
| TIE BACK | 6.125" | Surf 5379.92' | 4.5" | 11.6 LBS | P-110 or equiv | LTC |

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.

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 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft. Place DV tool @ the top of the Chacra formation. If cement is circulated back to surface on the first stage, a cancelation device will be dropped to shift the dv tool closed and the 2nd stage cement job will be aborted at that time.

3. <u>PRODUCTION LINER</u>: Run 4-1/2" Liner with cement nose guide Float Shoe + 1 jt. 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.

C. CEMENTING:

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

1. Surface 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.Intermediate STAGE 1: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 106 bbls, 301 sks, (594 cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 90 bbls, 388 sks, (505 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 218 bbl Drilling mud or water. Total Cement: 196 bbls, 690 sks, (1099 cuft) STAGE 2: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 34 bbls, 99 sks, (193 cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 16 bbls, 78 sks, (90 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 62 bbl Drilling mud or water. Total Cement: 51 bbls, 178 sks, (284 cuft)

3. PROD. LINER: 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 Water Spacer. Lead Cement: Extencem ™ System. Yield 1.36 cuft/sk 13.3 ppg (924 sx /1257 cuft /224 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/- 140 bbl Fr Water. Total Cement (924 sx /1257bbls).

I. COMPLETION

A. CBL

Run CCL for perforating

A. 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.

B. 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.

C. RUNNING TUBING

1. <u>Production Tubing:</u> Run 2-7/8", 6.5#, J-55, EUE tubing with a SN on top of bottom joint. Land tubing near Top of Liner.

• 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:

Proposed Operations:

A 4-1/2" 11.6# P-110 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# J-55 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).

WPX Energy

T23N R9W W Lybrook 2309-12D W Lybrook UT #747H - Slot A5

Wellbore #1

Plan: Design #1 2Nov15 sam

Standard Planning Report

02 November, 2015

WPX

Planning Report

| Database: Company: Project: Site: Well: Well: Wellbore: Design: | WPX T23N W Lyl W Lyl Wellb | PASS Energy I R9W brook 2309-12I brook UT #747 pore #1 gn #1 2Nov15 s | н | | TVD Refe MD Refer North Ref | ence: | | Well W Lybrook KB @ 6747.00u KB @ 6747.00u True Minimum Curvat | sft (Aztec 920 sft (Aztec 920 |)) |
|--|--|---|----------------------------------|--------------------|-----------------------------------|---|---|--|----------------------------------|----------------------------------|
| Project | T23N | R9W | | | etur Nel Sa | 13 415 31 | | | | to an end of the second |
| Map System: Geo Datum: Map Zone: | NAD 19 | te Plane 1927 (27 (NADCON (exico West 300) | CONUS) | | System Da | tum: | М | ean Sea Level | | |
| Site | W Lyb | rook 2309-12D | | | | | | | www. | |
| Site Position: From: Position Uncertai | Ma inty: | | North Eastir 0 usft Slot R | | | 5,338.99 usft 9,692.39 usft 13.200 in | Latitude: Longitude: Grid Converg | gence: | | 36.236489 -107.732650 0.06 |
| Well | W Lybr | ook UT #747H | - Slot A5 | Section Sec | | | | | | |
| Well Position | +N/-S +E/-W | | | orthing: sting: | | 1,905,380.01 529,783.49 | | itude: ngitude: | | 36.236601 -107.732341 |
| Position Uncertai | nty | 0. | 00 usft W | ellhead Eleva | tion: | 0.00 |) usft Gro | ound Level: | 1 miles | 6,733.00 usf |
| Wellbore | Wellb | ore #1 | | | | | | | T-la pian | |
| Magnetics | Me | odel Name | Sampl | e Date | Declina (°) | ation | The second se | Angle ') | | Strength nT) |
| | | IGRF200510 | 1 | 2/31/2009 | | 9.98 | assessed a contra | 63.08 | | 50,621 |
| Design | Design | #1 2Nov15 sa | m | and the | | Sole of the | | CHARGE STR | | |
| Audit Notes: Version: | | | Phase | 9: | PLAN | Tie | On Depth: | | 0.00 | |
| Vertical Section: | | E | Depth From (T) (usft) 0.00 | /D) | +N/-S (usft) 0.00 | (u | sft) .00 | (bea | ection aring) 8.41 | |
| Plan Sections | | | | | and the second | | | | | |
| Measured | nclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,513.00 | 20.26 | 7.66 | 1,492.02 | 175.66 | 23.63 | 2.00 | 2.00 | 0.00 | 7.66 | |
| 4,319.48 | 20.26 | 7.66 | 4,124.87 | 1,138.81 | 153.22 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 5,133.63 | 60.00 | 134.85 | 4,805.72 | 1,012.13 | 465.75 | 9.00 | 4.88 | 15.62 | | Start 60 tan #747H |
| 5,193.63 | 60.00 | 134.85 | 4,835.72 | 975.48 | 502.59 | 0.00 | 0.00 | 0.00 | | End 60 tan #747H |
| 5,365.27 | 75.45 | 134.85 | 4,900.59 | 863.80 | 614.85 | 9.00 | 9.00 | 0.00 | 0.00 | |
| 5,529.92 | 90.27 | 134.85 | 4,921.00 | 748.91 | 730.35 | 9.00 | 9.00 | 0.00 | | POE #747H |
| 14,810.92 | 90.27 | 134.85 | 4,878.00 | -5,796.41 | 7,310.16 | 0.00 | 0.00 | 0.00 | 0.00 | BHL #747H |

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WPX

Planning Report

| Database: | COMPASS | Local Co-ordinate Reference: | Well W Lybrook UT #747H (A5) - Slot A5 |
|-----------|----------------------|------------------------------|--|
| Company: | WPX Energy | TVD Reference: | KB @ 6747.00usft (Aztec 920) |
| Project: | T23N R9W | MD Reference: | KB @ 6747.00usft (Aztec 920) |
| Site: | W Lybrook 2309-12D | North Reference: | True |
| Well: | W Lybrook UT #747H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Design #1 2Nov15 sam | | |

Planned Survey

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| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------------|--|-----------------------|-----------------------------|---------------------------------------|----------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 320.00 | 0.00 | 0.00 | 320,00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 5/8" | | and the second second | | | See State | | Cold Trees | | |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Start Build 2 | COLUMN TO A COLUMNT TO A COLUMN TO A COLUMNT TO A COLUMNTA A COLUMNT TO A COLUMNT TO A COLUMNT TO A COLUMNT TO A COLUMNT | | | | 41 (199) (199 | | | | |
| 1,000.00 | 10.00 | 7.66 | 997.47 | 43.13 | 5.80 | -22.25 | 2.00 | 2.00 | 0.00 |
| 1,500.00 | 20.00 | 7.66 | 1,479.82 | 171.23 | 23.04 | -88.33 | 2.00 | 2.00 | 0.00 |
| 1,513.00 | 20.26 | 7.66 | 1,492.02 | 175.66 | 23.63 | -90.62 | 2.00 | 2.00 | 0.00 |
| Hold 20.26 In | clination | AND THE REAL | AND STREET | · · · · · · · · · · · · · · · · · · · | | | NU SAWA | | I STALL BUSINESS |
| 2,000.00 | 20.26 | 7.66 | 1,948.89 | 342.79 | 46.12 | -176.84 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 20.26 | 7.66 | 2,417.96 | 514.39 | 69.21 | -265.36 | 0.00 | 0.00 | 0.00 |
| 3,000.00 | 20.26 | 7.66 | 2,887.02 | 685.98 | 92.29 | -353.89 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 20.26 | 7.66 | 3,356.09 | 857.57 | 115.38 | -442.41 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 20.26 | 7.66 | 3,825.15 | 1,029.17 | 138.47 | -530.93 | 0.00 | 0.00 | 0.00 |
| 4,319.48 | 20.26 | 7.66 | 4,124.87 | 1,138.81 | 153.22 | -587.50 | 0.00 | 0.00 | 0.00 |
| | LS 9.00 TFO 13 | | | | | | | | |
| 4,500.00 | 14.57 | 60.93 | 4,298.06 | 1,181.10 | 177.39 | -594.83 | 9.00 | -3.15 | 29.51 |
| 5,000.00 | 48.56 | 130.26 | 4,727.81 | 1,085.58 | 386.21 | -371.86 | 9.00 | 6.80 | 13.87 |
| 5,133.63 | 60.00 | 134.85 | 4,805.72 | 1,012.13 | 465.75 | -263.90 | 9.00 | 8.56 | 3.44 |
| Hold 60.00 In | clination | | | STELE-SERIE | | Sec. Rock | SHORE DON | | |
| 5,193.63 | 60.00 | 134.85 | 4,835.72 | 075 49 | 502 50 | 010.07 | 0.00 | 0.00 | 0.00 |
| and the second | 60.00 LS 9.00 TFO 0.0 | The sector states | 4,035.72 | 975.48 | 502.59 | -212.27 | 0.00 | 0.00 | 0.00 |
| 5,365.27 | 75.45 | 134.85 | 4,900.59 | 863.80 | 614.85 | -54.91 | 9.00 | 9.00 | 0.00 |
| Start DLS 9.0 | | 101.00 | 1,000.00 | 000.00 | 011.00 | 01.01 | 0.00 | 0.00 | 0.00 |
| 5,500.00 | 87.57 | 134.85 | 4,920.44 | 770.00 | 709.15 | 77.25 | 9.00 | 9.00 | 0.00 |
| 5,529.92 | 90.27 | 134.85 | 4,921.00 | 748.91 | 730.35 | 106.97 | 9.00 | 9.00 | 0.00 |
| the property of the second | Inc 134.85 deg | STATISTICS. | 1 | | Light Light | | | | COLUMN ST |
| 5,530.00 | 90.27 | 134.85 | 4,921.00 | 748.85 | 730.41 | 107.06 | 0.00 | 0.00 | 0.00 |
| 7" | States and the state | | | | | | | | |
| | 00.07 | 101.05 | 1 010 00 | 447.00 | 4 000 00 | 574.00 | | 0.00 | |
| 6,000.00 | 90.27 | 134.85 | 4,918.82 | 417.39 | 1,063.62 | 574.09 | 0.00 | 0.00 | 0.00 |
| 6,500.00 7,000.00 | 90.27 90.27 | 134.85 134.85 | 4,916.51 4,914.19 | 64.77 -287.85 | 1,418.10 | 1,070.93 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 90.27 | 134.85 | 4,911.87 | -640.47 | 1,772.57 2,127.05 | 2,064.61 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 90.27 | 134.85 | 4,909.56 | -993.09 | 2,481.53 | 2,561.45 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 8,500.00 9,000.00 | 90.27 90.27 | 134.85 | 4,907.24 | -1,345.71 -1,698.33 | 2,836.01 3,190.48 | 3,058.30 3,555.14 | 0.00 | 0.00 | 0.00 |
| | 90.27 | 134.85 134.85 | 4,904.92 | -1,698.33 | | | 0.00 | 0.00 | 0.00 |
| 9,500.00 | 90.27 | 134.85 | 4,902.61 4,900.29 | -2,403.56 | 3,544.96 3,899.44 | 4,051.98 4,548.82 | 0.00 | 0.00 | 0.00 |
| 10,500.00 | 90.27 | 134.85 | 4,897.97 | -2,756.18 | 4,253.92 | 5,045.66 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 11,000.00 | 90.27 | 134.85 | 4,895.66 | -3,108.80 | 4,608.39 | 5,542.51 | 0.00 | 0.00 | 0.00 |
| 11,500.00 | 90.27 | 134.85 | 4,893.34 | -3,461.42 | 4,962.87 | 6,039.35 | 0.00 | 0.00 | 0.00 |
| 12,000.00 | 90.27 | 134.85 | 4,891.02 | -3,814.04 | 5,317.35 | 6,536.19 | 0.00 | 0.00 | 0.00 |
| 12,500.00 | 90.27 | 134.85 | 4,888.71 | -4,166.66 | 5,671.83 | 7,033.03 | 0.00 | 0.00 | 0.00 |
| 13,000.00 | 90.27 | 134.85 | 4,886.39 | -4,519.28 | 6,026.30 | 7,529.87 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 90.27 | 134.85 | 4,884.07 | -4,871.90 | 6,380.78 | 8,026.72 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 90.27 | 134.85 | 4,881.76 | -5,224.52 | 6,735.26 | 8,523.56 | 0.00 | 0.00 | 0.00 |
| 14,500.00 | 90.27 | 134.85 | 4,879.44 | -5,577.14 | 7,089.74 | 9,020.40 | 0.00 | 0.00 | 0.00 |
| 14,810.92 | 90.27 | 134.85 | 4,878.00 | -5,796.41 | 7,310.16 | 9,329.36 | 0.00 | 0.00 | 0.00 |

WPX

Planning Report

| Database: | COMPASS | Local Co-ordinate Reference: | Well W Lybrook UT #747H (A5) - Slot A5 |
|-----------|----------------------|------------------------------|--|
| Company: | WPX Energy | TVD Reference: | KB @ 6747.00usft (Aztec 920) |
| Project: | T23N R9W | MD Reference: | KB @ 6747.00usft (Aztec 920) |
| Site: | W Lybrook 2309-12D | North Reference: | True |
| Well: | W Lybrook UT #747H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Design #1 2Nov15 sam | | |

Design Targets

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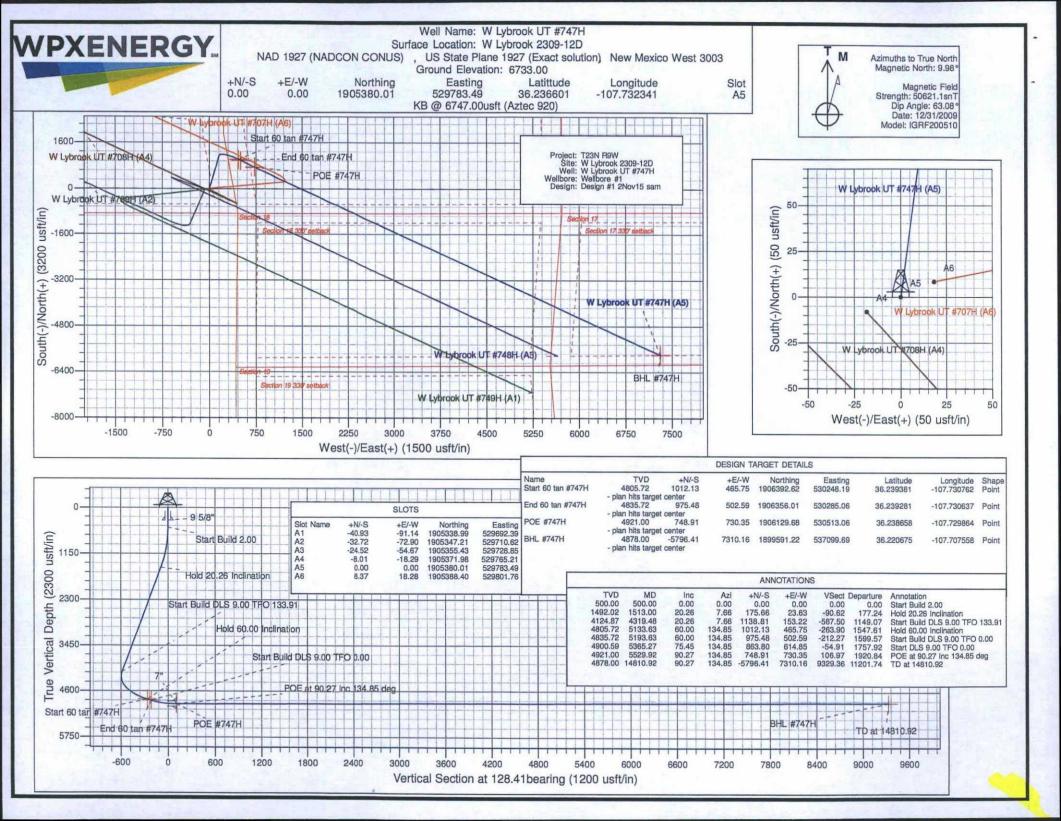
| Target Name - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (bearing | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
|---|------------------|----------------------|---------------|-----------------|-----------------|--------------------|-------------------|-----------|-------------|
| Start 60 tan #747H - plan hits target cente - Point | 0.00 er | 0.00 | 4,805.72 | 1,012.13 | 465.75 | 1,906,392.63 | 530,248.19 | 36.239382 | -107.730762 |
| End 60 tan #747H - plan hits target cente - Point | 0.00 er | 0.00 | 4,835.72 | 975.48 | 502.59 | 1,906,356.02 | 530,285.07 | 36.239281 | -107.730637 |
| BHL #747H - plan hits target cente - Point | 0.00 er | 0.00 | 4,878.00 | -5,796.41 | 7,310.16 | 1,899,591.22 | 537,099.69 | 36.220675 | -107.707558 |
| POE #747H - plan hits target cente - Point | 0.00 er | 0.00 | 4,921.00 | 748.91 | 730.35 | 1,906,129.68 | 530,513.06 | 36.238658 | -107.729865 |

Casing Points

| Measured Depth (usft) | Vertical Depth (usft) | | Name | Casing Diameter (in) | Hole Diameter (in) |
|-----------------------------|-----------------------------|--------|------|----------------------------|--------------------------|
| 320.00 | 320.00 | 9 5/8" | | 9.625 | 12.250 |
| 5,530.00 | 4,921.00 | 7" | | 7.000 | 8.750 |

Plan Annotations

| Measured | Vertical | Local Coor | dinates | |
|-----------------|-----------------|-----------------|-----------------|---------------------------------|
| Depth (usft) | Depth (usft) | +N/-S (usft) | +E/-W (usft) | Comment |
| 500.00 | 500.00 | 0.00 | 0.00 | Start Build 2.00 |
| 1,513.00 | 1,492.02 | 175.66 | 23.63 | Hold 20.26 Inclination |
| 4,319.48 | 4,124.87 | 1,138.81 | 153.22 | Start Build DLS 9.00 TFO 133.91 |
| 5,133.63 | 4,805.72 | 1,012.13 | 465.75 | Hold 60.00 Inclination |
| 5,193.63 | 4,835.72 | 975.48 | 502.59 | Start Build DLS 9.00 TFO 0.00 |
| 5,365.27 | 4,900.59 | 863.80 | 614.85 | Start DLS 9.00 TFO 0.00 |
| 5,529.92 | 4,921.00 | 748.91 | 730.35 | POE at 90.27 Inc 134.85 deg |
| 14.810.92 | 4,878.00 | -5,796.41 | 7,310.16 | TD at 14810.92 |



7.0 Methods for Handling Waste

- Cuttings
 - 1. 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 a commercial disposal facility or land farm. 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. 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
 - Portable toilets will be provided and maintained during construction, as needed (see Figures 4a and 4b in Appendix B for the location of toilets).
- E. Garbage and other water 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.
- G. Produced Water:
 - 1. WPX Energy will dispose of produced water from this well at one of the following facilities:
 - a. Lybrook Yard WDW #1, API #30-039-27533, NMOCD permit #SWD-907, operated by Elm Ridge Resources, located in NE ¼, Section 14, Township 23 North, Range 7 West
 - b. Jillson Federal #1, NMOCD order #R-10168, operated by ConocoPhillips, located in NW ¼, Section 8, Township 24 North, Range 3 West
 - c. Basin Disposal, permit #NM-01-005, located in the NW ¼, Section 3, Township 29 North, Range 11 West
 - d. Sunco SWD #001, API #30-045-28653, NMOCD permit SWD-457, operated by Key Energy, located in NW ¼, Section 2, Township 29 North, Range 12 West

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

in Bloomfield, NM to WPX Energy Production, LLC W Lybrook Unit #747H

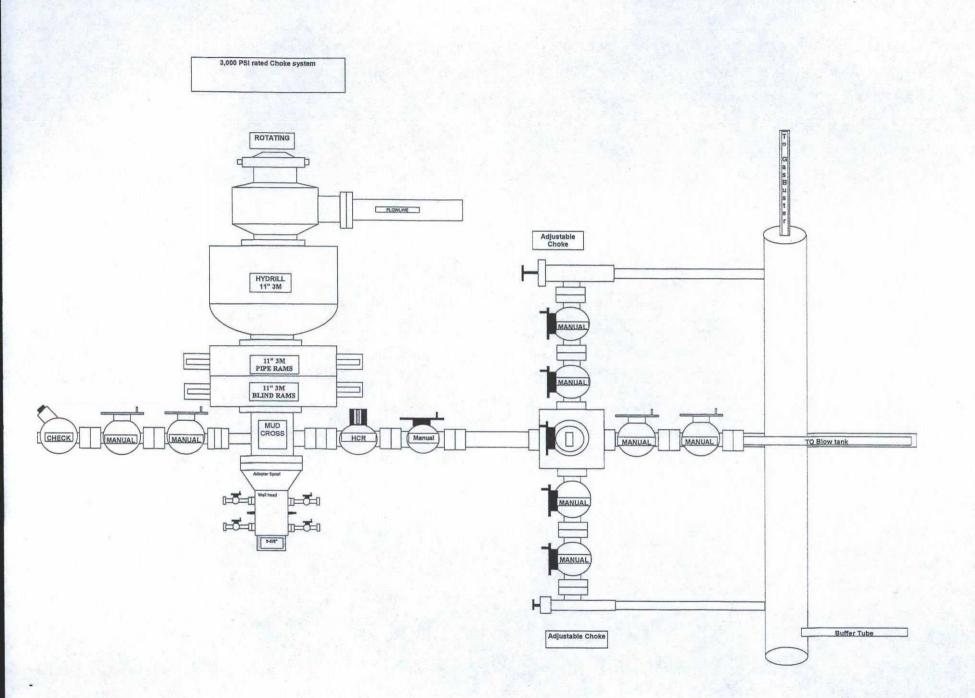
869' FSL & 385' FEL, Section 12, T23N, R9W, N.M.P.M., San Juan County, NM

Latitude: 36.236614°N Longitude: 107.732954°W Datum: NAD1983

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Southerly on US Hwy 550 for 37.8 miles to Mile Marker 113.4;

Go Right (South-westerly) on County Road #7890 for 0.8 miles to fork in roadway;

Go Right (South-westerly) exiting County Road #7890 which is straight for 0.2 miles to new access on right-hand side of existing roadway which continues for 1302.6' to staked WPX W Lybrook Unit #747H location.



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