State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin Acting Cabinet Secretary David R. Catanach, Division Director **Oil Conservation Division**



INH#759H

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: 4-7-110

Well information; Operator (D)

Well Name and Number U brook

EW API# 30,045-3576 (Section 23, Township 23 N/S, Range

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 0 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
- Submit Gas Capture Plan form prior to spudding or initiating recompletion operations 0
 - 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

<u>12-8-2016</u> 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 FORM APPROVED OMB No. 1004-0136 RECEIVED (September 2001) Expires January 31, 2004 UNITED STATES 5. Lease Serial No. DEPARTMENT OF THE INTERIOR APR 0 8 2016 BUREAU OF LAND MANAGEMENT N0-G-1312-1863 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER Farmington Field Office Bureau of Land Management. If Unit or CA Agreement, Name and No. la. Type of Work: DRILL REENTER 210 130 NMNM 193613X 8. Lease Name and Well No. Oil Well Gas Well Other 1b. Type of Well: Single Zone Multiple Zone W. Lybrook Unit #759H 2. Name of Operator 9. API Well No. 30-045- 3 WPX Energy Production, LLC 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory P.O. Box 640 Aztec, NM 87410 (505) 333-1808 Lybrook Mancos W 11. Sec., T., R., M., or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements, *) 601' FSL & 628' FWL, sec 23, T23N, R9W SHL: Sec 23, T23N, R9W At proposed prod. zone 330' FSL & 2374' FWL, sec 25 T23N, R9W BHL: Sec 25, T23N, R9W 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State From intersection US Hwy & 550 US Hwy 64 in Bloomfield NM, South 37.8 miles to Mile Marker 113.4 NM San Juan 15. Distance from proposed* 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 601, 400-Acres / 12,807.24 Acres 160 Acres OIL CONS. DIV DIST. 3 18. Distance from proposed location 19. Proposed Depth 20. BLM/BIA Bond No. on file to nearest well, drilling, completed, applied for, on this lease, ft. 14163' MD / 4618' TVD B001576 20' 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 6748' GR May 1, 2016 1 month 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 2. A Drilling Plan. 5. Operator certification. 3. A Surface Use Plan (if the location is on National Forest System Lands, the 6. Such other site specific information and/or plans as may be required by the SUPO shall be filed with the appropriate Forest Service Office). authorized officer. 25. Signature Date Name (Printed/Typed) 4/7/16 Marie E. Jaramillo Title Permit Technician III Approved by (Signature) 1/28/16 Name (Printed/Typed) Title Office Application approval 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. Conditions of approval, if any, are attached. 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 reverse) WPX Energy Production, LLC, proposes to develop the Lybrook Mancos W formation at the above described location in accordance with the attached drilling and surface use plans. The well pad surface is under jurisdiction of IA and is on lease and will be twinned with the W. Lybrook Unit #726H/728H/729H/760H & 761H. This location has been archaeologically surveyed by Western Archeological Consultants. Copies of their report have been submitted directly to the BLM. The new access of 21.1' of BLM & new access of 4584.3' of Navajo Allotted is on lease access road will be built and permitted via the APD. BLM'S APPROVAL OR ACCEPTANCE OF THIS A new pipeline of 68.3' of BLM & new pipeline of 4779.8' of Navajo Allotted is on lease well comtext pipeline will be boilt and permitted via the APD. OPERATOR FROM OBTAINING ANY OTHER This action is subject to technical DRILLING OPERATIONS and procedural review pursuant to AUTHORIZATION REQUIRED FOR OPERATIONS AUTHORIZED ARE SUBJECT TO 43 CFR 3165.3 and appeal ON FEDERAL AND INDIAN LANDS

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pursuant to 43 CFR 3165.4

NMOCD

COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"



WPX Energy

NPXENERG

Operations Plan

Lybrook Mancos W

Surface: IA Elevation: 6748' GR

IA

Field: Surface:

Minerals:

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

Date:	April 14, 2016
Well Name:	W Lybrook Unit 759H
SH Location:	SWSW Sec 23 23N-09W
BH Location:	SESW Sec 25 23N-09W

Measured Depth: 14,163.27

I. GEOLOGY

Surface formation - NACIMIENTO

NAME	MD	TVD	NAME	MD	TVD
OJO ALAMO	377	337	POINT LOOKOUT	3571	3404
KIRTLAND	499	499	MANCOS	3760	3579
PICTURED CLIFFS	1071	1067	GALLUP	4124	3918
LEWIS	1193	1186	KICKOFF POINT	4,086.62	3,882.65
CHACRA	1382	1368	TOP TARGET	5077	4648
CLIFF HOUSE	2571	2475	LANDING POINT	5,312.32	4,689.00
MENEFEE	2589	2492	BASE TARGET	5,312.32	4,689.00
a share a start of	and the set		TD	14,163.27	4,618.00

B. MUD LOGGING PROGRAM:

Mudlogger on location from surface csg to TD.

ALC: NOT STATE

C. LOGGING PROGRAM:

LWD GR from surface casing to TD.

D. NATURAL GAUGES:

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 %" 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. BOP TESTING:

While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The BOPE will be tested to 2,000 psi (High) for 10 minutes and the annular tested to 1,500 psi for 10 minutes. Pressure test surface casing to 1,500 psi for 30 minutes and intermediate casing to 1,500 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)	CSG SIZE	WEIGHT	GRADE	CONN
SURFACE	12.25"	320.00'	9.625"	36 LBS	J-55 or equiv	STC
INTERMEDIATE	8.75"	5,312.32'	7"	23 LBS	J-55 or equiv	LTC
PRODUCTION	6.125"	5162.32' - 14,163.27'	4.5"	11.6 LBS	P-110 or equiv	LTC
TIE BACK	6.125"	Surf 5162.32'	4.5"	11.6 LBS	P-110 or equiv	LTC

B. FLOAT EQUIPMENT:

CEMENT

1. SURFACE CASING:

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. If losses are encountered during the drilling of the intermediate section a DV tool will be utalized and a 2 stage cement job may be planned to ensure cement circ back to surface. The DV tool will be placed 100° above 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, if no cement is seen at surface on the 1st stage the stage tool will be opend and a 2nd stage cement job will be pumped.

3. PRODUCTION LINER:

And the second second

Run 4-1/2" Liner with cement nose guide Float Shoe + 2/ts. 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.

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

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. WQC 12 hours. Test csg to 600psi. Total Volume: (160 cuft/100 sx/ Bbls).TOC at Surface.

2. Intermediate:

Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 98 bbls, 278 sks, (548 cuft), 12:3 ppg @ 1.97 cuft/sk yield. Tail Cement: 59 bbls, 254 sks, (331 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 209 bbl Drilling mud or water. Total Cement: 156 bbls, 532 sks, (879 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 (882 sx /1200 cuft /214 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace 'Planned WBD'lw/ +/-193 ,bbl Fr Water. Total Cement

D. COMPLETION:

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.

If this horizontal well is 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.

NOTES:

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 2309-23M WLU W Lybrook UT #759H - Slot A6

Wellbore #1

Plan: Design #1 11Jan16 sam

Standard Survey Report

12 January, 2016

WPX

Survey Report

Company: Wi Project: T2 Site: 23 Well: Wi Wellbore: Wi Design: De	PX Energy 3N R9W 09-23M WLU Lybrook UT #75 allbore #1 sign #1 11Jan16	9H 3 sam		Local TVD R MD Re North Surve Datab	Co-ordinate Refe leference: oference: Reference: y Calculation Me ase:	erence: thod:	Well W Lybrod GL @ 6748.00 GL @ 6748.00 True Minimum Curv COMPASS	ok UT #759H (A6 Jusft (Original W Jusft (Original W rature	i) - Slot A6 ell Elev) ell Elev)	
Project	T23N R9W		- de la companya de la			- SI - 4 2 1 5			and the plant is the	
Map System: Geo Datum: Map Zone:	US State Plane NAD 1927 (NAI New Mexico We	1927 (Exact so DCON CONUS) est 3003	lution)	Syst	em Datum:		Mean Sea Le	vel		
Site	2309-23M WL	U						CALCULATION OF		
Site Position: From: Position Uncertainty:	Мар	0.00 usft	Northing: Easting: Slot Radius:		1,894,520.52 us 520,347.65 us 13.200 in	ft Latitude: ft Longitud Grid Con	le: ivergence:		36. -107. 0.	.206791 .764363 .04 °
Well	W Lybrook UT	#759H - Slot A6								
Well Position	+N/-S	0.00 usft	Northing:	A CONTRACTOR OF THE OWNER	1,894,520	0.52 usft	Latitude:		36	.206791
Position Uncertainty	+E/-W	0.00 usft 0.00 usft	Easting: Wellhead Ele	evation:	520,347	7,65 usft 0.00 usft	Longitude: Ground Level:		-107 6,748	.764363 1.00 usft
Wellbore	Wellbore #1					and the second	19025425472B			
Magnetics	Model Na	me	Sample Date		Declination (°)	1	Dip Angle	Field	i Strength (nT)	
	IGF	RF2015	1/11/2016		9.34	4	62.9	0	49,882	
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Version:			Phase:	PLAN		Tie On Depth	12			0.00
Vertical Section:		Depth Fr	om (TVD)	+1	I/-S	+E/-W		Direction		
		(U:	sft)	(u	sft)	(usft)		(bearing)	19.55	
	and to		0.00		0.00	0.00		14	20.00	_
Survey Tool Program From (usft) 0.00	To (usft) : 14,163,27 [Date 1/12/20 Survey (Wellbon Design #1 11Jan	116 re) 116 sam (Wellbor	e #1)	Tool Name MWD		Description MWD - Standa	ard		
Planned Survey							and the second		CONTRACTOR OF CONTRACTOR	
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	
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	
Start Build 2	.00	A DE TRACTER OF THE		the states of the		Tela Cherles		TRADE POR		
1,000.00 1,500.00	10.00 20.00	7.53 7.53	997.47 1,479.82	43.15 171.28	5.70 22.63	-22.43 -89.06	2.00 2.00	2.00 2.00	0.00	
1,587.88 Hold 21.76 In	21.76 Inclination	7.53	1,561,92	202.33	26.73	-105.20	2.00	2.00	0.00	
2,000.00	21.76	7.53	1,944.68	353.78	46.74	-183.95	0.00	0.00	0.00	

1/12/2016 12:18:42PM

Read .

COMPASS 5000.1 Build 78



WPX Survey Report

ject: e: II: Ilbore: sign:	T23 230 W L Wel Des	N R9W 9-23M WLU ybrook UT #759 Ibore #1 ign #1 11Jan16 :	H sam		TVD Refer MD Refer North Ref Survey Ca Database	rence: ence: erence: alculation Meth	uod:	GL @ 6748.000 GL @ 6748.000 True Minimum Curva COMPASS	usft (Original Wel usft (Original Wel ature	II Elev) II Elev)
nned Survey		The second s	need a	ELAL SADA		Period and a state		CHARLEN Dro		
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2,500	0.00	21.76	7.53	2,409.06	537.52	71.01	-279.48	0.00	0.00	0.00
3,000	0.00	21.76	7.53	2,873.44	721.26	95.28	-375.02	0.00	0.00	0.00
3,500	0.00	21.76	7.53	3,337.82	905.01	119.56	-470.56	0.00	0.00	0.00
4,000	0.00	21.76	7.53	3,802.20	1,088.75	143.83	-566.09	0.00	0.00	0.00
4,086	3.62	21.76	7.53	3,882.65	1,120.58	148.04	-582.64	0.00	0.00	0.00
Start B	uild D	LS 9.00 TFO 134	1.67							
4,500	0.00	26.19	110.57	4,273.93	1,166.10	246.99	-533.63	9.00	1.07	24.93
4,913	3,88	60.00	135.24	4,573.73	1,000.91	466.49	-259.02	9,00	8.17	5,96
Hold 60	1.00 In	clination					10 10 15 1 10 K		E 11 155 12	the part with
4,973	1.88	60.00	135.24	4,603.73	964.02	503.08	-207.41	0.00	0.00	0.00
Start B	uild D	LS 9.00 TFO 0.0	0			空空につう	6-1.00		Contraction of the second	
5,000	0.00	62,35	135.24	4,616.32	947.77	519,19	-184.69	9.00	9.00	0.00
5,144	1.76	75.38	135.24	4,668.40	852.11	614.06	-50.87	9.00	9.00	0.00
Start Di	LS 9.0	0 TFO -0.01		12-11-22	Contraction in	State Same			State Ball Month	
5,312	2.00	90.43	135.24	4,689.00	734.61	730.60	113.49	9,00	9,00	0.00
7"			1015 Wall2-15	The second second	10 10 - D	Ante-Barris			AND STREET	
5,312	1.32	90.46	135.24	4,689.00	734.38	730.82	113.81	9.00	9.00	0.00
POE at	90.46	Inc 135.24 Deg	and the second second	Line self de la				A CANTER AND A	A CARGAN	CLUB STREET
5,500	.00	90.46	135.24	4,687.49	601.13	862.98	300.21	0.00	0.00	0.00
6,000	0.00	90.46	135.24	4,683.48	246.14	1,215.06	796.79	0.00	0.00	0.00
6,500	0.00	90.46	135.24	4,679.47	-108.86	1,567.15	1,293.38	0.00	0.00	0.00
7,000	0.00	90.46	135.24	4,675.46	-463.85	1,919.23	1,789.97	0.00	0.00	0,00
7,500	.00	90,46	135.24	4,671.45	-818.85	2,271.31	2,286.56	0.00	0.00	0.00
8,000	.00	90.46	135,24	4,667.44	-1,173.84	2,623.39	2,783.15	0.00	0.00	0,00
8,500	0.00	90.46	135.24	4,663.43	-1,528.84	2,975.48	3,279.73	0.00	0,00	0.00
9,000	.00	90.46	135.24	4,659.42	-1,883.83	3,327.56	3,776.32	0.00	0.00	0.00
9,500	.00	90,46	135.24	4,655.41	-2,238.83	3,679.64	4,272.91	0.00	0.00	0.00
10,000	.00	90.46	135.24	4,651.40	-2,593.82	4,031.73	4,769.50	0.00	0.00	0.00
10,500	.00	90.46	135.24	4,647.39	-2,948.82	4,383.81	5,266.09	0.00	0.00	0.00
11,000	.00	90,46	135.24	4,643.38	-3,303.81	4,735.89	5,762.67	0.00	0.00	0.00
11,500	.00	90.46	135.24	4,639.36	-3,658.81	5,087.98	6,259.26	0.00	0.00	0.00
12,000	.00	90.46	135.24	4,635.35	-4,013.80	5,440.06	6,755.85	0.00	0.00	0.00
12,500	.00	90.46	135.24	4,631.34	-4,368.80	5,792.14	7,252.44	0.00	0.00	0.00
13,000	.00	90.46	135.24	4,627.33	-4,723.79	6,144.23	7,749.03	0.00	0.00	0.00
13,500	.00	90.46	135.24	4,623,32	-5,078,79	6,496.31	8,245.61	0.00	0.00	0.00
14,000	.00	90.46	135.24	4,619.31	-5,433,78	6,848,39	8,742.20	0.00	0.00	0.00
	27	90.46	135.24	4 618 00	-5.549.70	6 963 37	8 904 36	0.00	0.00	0.00

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WPX Survey Report

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Company:	WPX Energy	Local Co-ordinate Reference:	Well W Lybrook UT #759H (A6) - Slot A6
Project:	T23N R9W	TVD Reference:	GL @ 6748.00usft (Original Well Elev)
Site:	2309-23M WLU	MD Reference:	GL @ 6748.00usft (Original Well Elev)
Well:	W Lybrook UT #759H	North Reference:	True
Wellbore:	Wellbore #1	Survey Calculation Method:	Minimum Curvature
Design:	Design #1 11Jan16 sam	Database:	COMPASS

Design Targets									
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 #759H - plan hits target cer - Point	0.00 Iter	0.00	4,573.73	1,000.91	466.49	1,895,521.76	520,813.43	36.209541	-107.762782
End 60 Tan #759H - plan hits target cer - Point	0.00 Iter	0.00	4,603.73	964.01	503.08	1,895,484.89	520,850.05	36.209439	-107.762658
BHL #759H - plan hits target cer - Point	0.00 Iter	0.00	4,618.00	-5,549.70	6,963.37	1,888,975.77	527,314.96	36.191543	-107.740765
POE #759H - plan hits target cer - Point	0.00 Iter	0.00	4,689.00	734.38	730.82	1,895,255.42	521,077.95	36.208809	-107.761886

Casing Points			Market Res				Elservial
	Measured Depth (usft)	Vertical Depth (usft)		Name	Casing Diameter (in)	Hole Diameter (in)	
	320.00	320.00	9 5/8"		9.625	12.250	
	5,312.00	4,689.00	7"		7.000	8.750	

Plan Annotati

	Measured	Vertical	Local Coor	dinates		
Depth (usft)	Depth (usft)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Comment	
	500	500	0	0	Start Build 2.00	
	1588	1562	202	27	Hold 21.76 Inclination	
	4087	3883	1121	148	Start Build DLS 9.00 TFO 134.67	
	4914	4574	1001	466	Hold 60.00 Inclination	
	4974	4604	964	503	Start Build DLS 9.00 TFO 0.00	
	5145	4668	852	614	Start DLS 9.00 TFO -0.01	
	5312	4689	734	731	POE at 90.46 Inc 135.24 Deg	
	14,163	4618	-5550	6963	TD at 14163.27	
necked By:			Ann	roved By:	the second second to be by P. S. S. S. S. S. S.	Date:

Date:

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 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.
- Closed-loop tanks will be adequately sized for containment of all fluids.
- B. Drilling Fluids
 - 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
 - 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 4 and 5 in Appendix B for the location of toilets).
- E. Garbage and other water material
 - 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
 - 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.
 - 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.
 - 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:

- 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
- Water will be hauled by truck. Some produced water may also be used in drilling and completion operations as an alternative disposal method.

W Lybrook UT Nos. 726H, 728H, 729H, 759H, 760H & 761H Oil & Natural Gas Wells Project March 2016 - 6 -



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

in Bloomfield, NM to WPX Energy Production, LLC W Lybrook Unit #759H

601' FSL & 628' FWL, Section 23, T23N, R9W, N.M.P.M., San Juan County, NM

Latitude: 36.206804°N Longitude: 107.764976°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 Left (Southerly) remaining on County Road #7890 for 1.3 miles to four-way intersection;

Go Left (South-easterly) remaining on County Road #7890 for 0.6 miles to fork in roadway;

Go Right (South-westerly) remaining on County Road #7890 for 0.5 miles to WPX W Lybrook Unit #720H proposed access on right-hand side of County Road #7890;

Go Right (Westerly) exiting County Road #7890 following along WPX W Lybrook Unit #720H proposed access for 3123.1' to fork in proposed access;

Go Left (Westerly) which is straight, continuing for 4605.4' to staked WPX W Lybrook Unit #759H location.

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