State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Matthias Sayer Deputy Cabinet Secretary

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.

Well inf	formation; or, Well Name and Number
API#	20 -045, 358/5, Section 14, Township 28 N/S, Range 9 E/W
Conditi	ions of Approval: (See the below checked and handwritten conditions) Notify Aztec OCD 24hrs prior to casing & cement.
to 1	Hold C-104 for directional survey & "As Drilled" Plat
la I	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
1	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
0 5	Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
√ 1	Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
i	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.
Ch	ach Her 2-10-2017
NMOC	D Approved by Signature Date
	1220 South St. Francis Drive - Santa Fe, New Mexico 87505

Phone (505) 476-3441 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

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Form 3160 -3 (March 2012)				FORM APP OMB No. 10 Expires Octob	04-0137	
UNITED STA	5. Lease Serial No. NOG14031948	addition appears a province on the control of the appearance of the AC AC TO A				
BUREAU OF LAND 1 APPLICATION FOR PERMIT	6. If Indian, Allotee or 1 EASTERN NAVAJO	Tribe Name				
la. Type of work:	e of work: DRILL REENTER					
lb. Type of Well: Oil Well Gas Well Other	S	ingle Zone Mu	tiple Zone	8. Lease Name and Well W LYBROOK UT 753h		
Name of Operator WPX ENERGY LLC		9. API Well No.	815			
3a. Address 720 S Main Aztec NM 87410	3b. Phone N (505)333-	0. (include area code) 1822		10. Field and Pool, or Exploratory LYBROOK MANCOS W / LYBROOK MA		
4. Location of Well (Report location clearly and in accordance of At surface NESE / 1878 FSL / 691 FEL / LAT 36.22 At proposed prod. zeloc SESW / 330 FSL / 2025 FWL	24816 / LONG -1	07.751593	4669	11. Sec., T. R. M. or Blk.as SEC 14 / T23N / R9W		
14. Distance in miles and direction from nearest town or post office 37.8 miles	e*			12. County or Parish 13. State SAN JUAN NM		
15. Distance from proposed* location to nearest 20 feet property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of 160	acres in lease	17. Spacin 480.43	g Unit dedicated to this well	CONS. DIV DIST.	
18. Distance from proposed location* to nearest well, drilling, completed, 691 feet applied for, on this lease, ft.	•	19. Proposed Depth 20. BLM/ 4714 feet / 15806 feet IND: B0		M/BIA Bond No. on file JAN 31 2017		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6719 feet	imate date work will s 16	start*	23. Estimated duration 30 days			
	24. Atta	chments				
The following, completed in accordance with the requirements of 0	Onshore Oil and Gas	Order No.1, must be	attached to th	is form:		
Well plat certified by a registered surveyor. A Drilling Plan.		4. Bond to cover Item 20 above		ns unless covered by an exis	ting bond on file (see	
 A Surface Use Plan (if the location is on National Forest Sy SUPO must be filed with the appropriate Forest Service Office 		Operator certi Such other si BLM.		ormation and/or plans as may	be required by the	
25 Signature	Name	(Printed/Typed)		Date		

25. Signature	Name (Printed/Typed)	Date
(Electronic Submission)	Lacey Granillo / Ph: (505)333-1816	11/03/2016
Title		
Permitting Tech III		
Approved by (Signature) Man lee La	Name (Printed/Typed)	Date /27/17
Title AFM	Office FARMINGTON	

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.

(Continued on page 2)

*(Instructions on page 2)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

DRILLING OPERATIONS AUTHORIZED ARE BUE RECT TO COMPLIANCE VARIATIACHED "GENERAL REQUIREMENTS"



District I 1625 N. French Drive, Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First Street, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Drive, Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 1, 2011

Submit one copy to Appropriate District Office

OTL CONSERVATION DIVISION

1220 South St. Francis Drive Santa Fe. NM 87505



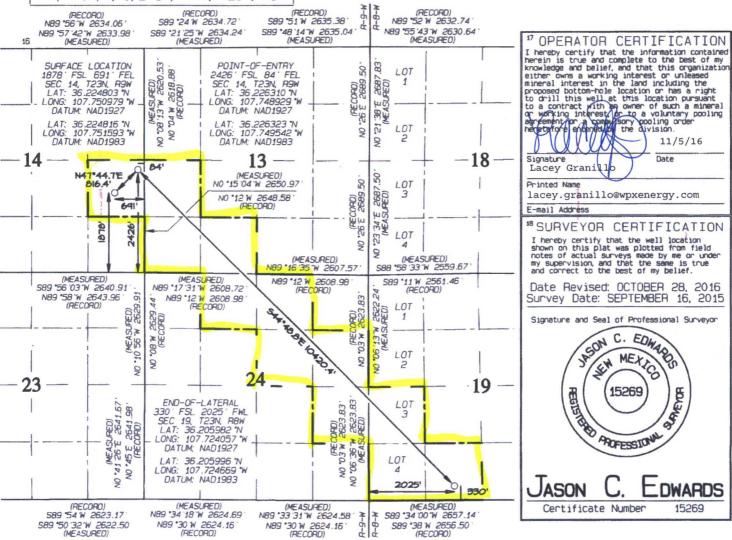
WELL LOCATION AND ACREAGE DEDICATION PLAT FEB 0 6 2017 'API Number *Pool Code 30-045-35815 98157 LYBROOK MANCOS W Well Number Property Name Property Code 315250 W LYBROOK UNIT 753H Elevation OGRID No *Operator Name WPX ENERGY PRODUCTION, LLC 6719 120782

UL or lot no Lot Idn Feet from the North/South line Feet from the East/West line County 23N EAST SAN JUAN QW 1878 SOUTH 691 I 14 11 Bottom Hole Location If Different From Surface North/South Line Feet from the County is or lot no Section Township Feet from the East/West line 2025 WEST SAN JUAN 19 23N 8W 330 SOUTH N Dedicated 480.43 Joint or Infill ¹⁴ Consolidation Code ⁸⁵ Order No. R-14051 12.807.24 Acres NW/4 SW/4, S/2 SW/4 - Section 13 NE/4 SE/4 - Section 14

¹⁰ Surface Location

NE/4 NW/4, W/2 NE/4, SE/4 NE/4 NE/4 SE/4 - Section 24, T23N, R9W NW/4 SW/4, S/2 SW/4-19, T23N, R8W

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





Operations Plan

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

Date:

November 3, 2016

Field:

Lybrook Mancos W

Well Name:

W Lybrook Unit 753H

Surface:

SH Location:

NESE Sec 14 23N-09W

Elevation: 6719' GR

BH Location:

SESW Sec 19 23N-08W

Minerals:

Measured Depth: 15,806.33'

I. GEOLOGY

Surface formation - NACIMIENTO

A. FORMATION TOPS: (GR)

NAME	MD	TVD	NAME	MD	TVD
OJO ALAMO	425.00	425.00	POINT LOOKOUT	3,631.00	3,492.00
KIRTLAND	587.00	587.00	MANCOS	3,819.00	3,667.00
PICTURED CLIFFS	1,155.00	1,155.00	GALLUP	4,184.00	4,006.00
LEWIS	1,274.00	1,274.00	KICKOFF POINT	4,099.69	3,926.77
CHACRA	1,458.00	1,456.00	TOP TARGET	5,096.00	4,714.00
CLIFF HOUSE	2,628.00	2,563.00	LANDING POINT	5,385.85	4,777.00
MENEFEE	2,647.00	2,580.00	BASE TARGET	5,385.85	4,777.00
			TD	15,806.33	4,714.00

B. MUD LOGGING PROGRAM:

Mudlogger on location from surface csg to TD.

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

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"	5,385.851	7"	23 LBS	J-55 or equiv	LTC
PRODUCTION	6.125"	5235.85' - 15,806.33'	4.5"	11.6 LBS	P-110 or equiv	LTC
TIE BACK	6.125"	Surf 5235.85'	4.5"	11.6 LBS	P-110 or equiv	LTC

B. FLOAT EQUIPMENT:

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 utilized 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 opened and a 2nd stage cement job will be pumped.

3. PRODUCTION LINER:

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.

C. CEMENT:

(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:

Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 100 bbls, 284 sks, (560 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/ +/- 212 bbl Drilling mud or water. Total Cement: 159 bbls, 539 sks, (891 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 (1036 sx /1409 cuft /251 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/-218bbl Fr Water. Total Cement (1036 sx /1409bbls).

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 2309-14I WLU W Lybrook UT #753H - Slot A2

Wellbore #1

Plan: Design #1 28Sept16 sam

Standard Planning Report

28 September, 2016

WPX

Planning Report



Database: Company: Project: Site:

COMPASS WPX Energy **T23N R9W** 2309-14I WLU

W Lybrook UT #753H

Wellbore #1

Design #1 28Sept16 sam

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well W Lybrook UT #753H (A2) - Slot A2 GL @ 6719.00usft (Original Well Elev)

GL @ 6719.00usft (Original Well Elev)

True

Minimum Curvature

Design: Project

Site

From:

Well

Well: Wellbore:

T23N R9W

Map System: Geo Datum:

US State Plane 1927 (Exact solution) NAD 1927 (NADCON CONUS)

Map Zone: New Mexico West 3003 System Datum:

Mean Sea Level

Site Position:

2309-14I WLU

Мар

+N/-S

+E/-W

Northing: Easting:

1,901,091.09 usft 524,273.81 usft

Latitude: Longitude:

36.224833 -107.751036

Position Uncertainty:

0.00 usft

Slot Radius:

13.200 in

Grid Convergence:

0.05°

Well Position

-10.91 usft

16.81 usft

W Lybrook UT #753H - Slot A2

Northing: Easting:

1,901,080.19 usft 524,290.63 usft Latitude: Longitude:

36.224803 -107.750979

Position Uncertainty

0.00 usft

Wellhead Elevation:

0.00 usft

Ground Level:

6,719,00 usft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
No. of the Control of	IGRF200510	12/31/2009	9.99	63.07	50,612

Design	Design #1 28Sept16 sam				Security to the security the se
Audit Notes:					
Version:	Phase:	PLAN	Tie On Depth:	0.00	
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction	
	(usft)	(usft)	(usft)	(bearing)	
	0.00	0.00	0.00	130.77	

lan Sections										
Measured Depth (usft)	Inclination (°)	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	a service to discount to the service of the service
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,101.84	22.04	0.56	2,074.87	209.28	2.04	2.00	2.00	0.00	0.56	
4,099.69	22.04	0.56	3,926.77	958.84	9.35	0.00	0.00	0.00	0.00	
4,948.66	60.00	135.23	4,641.72	838.76	316.76	9.00	4.47	15.86	140.68	Start 60 Tan #753h
5,048.66	60.00	135.23	4,691.72	777.27	377.75	0.00	0.00	0.00	0.00	End 60 Tan #753H
5,219.15	75.34	135.23	4,756.30	665.64	488.48	9.00	9.00	0.00	0.00	
5,385.85	90.35	135.23	4,777.00	548.55	604.63	9.00	9.00	0.00	0.01	POE #753H
15,806.33	90.35	135.23	4,714.00	-6,849.83	7,942.63	0.00	0.00	0.00	0.00	BHL #753H

WPX

Planning Report

Database: Company: COMPASS WPX Energy T23N R9W

Project: Site: Well:

2309-14I WLU W Lybrook UT #753H

Wellbore: Design:

Wellbore #1 Design #1 28Sept16 sam Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Well W Lybrook UT #753H (A2) - Slot A2 GL @ 6719.00usft (Original Well Elev) GL @ 6719.00usft (Original Well Elev)

True

Minimum Curvature

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 9 5/8"	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
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2	.00		The said of						
1,500.00	10.00	0.56	1,497.47	43.52	0.42	-28.10	2.00	2.00	0.00
2,000.00	20.00	0.56	1,979.82	172.76	1.69	-111.55	2.00	2.00	0.00
2,101.84	22.04	0.56	2,074.87	209.28	2.04	-135.13	2.00	2.00	0.00
Hold 22.04 h	nclination								
2,500.00	22.04	0.56	2,443.95	358.67	3.50	-231.59	0.00	0.00	0.00
3,000.00	22.04	0.56	2,907.42	546,26	5,33	-352,72	0.00	0.00	0.00
3,500.00	22.04	0.56	3,370.89	733.85	7.16	-473.85	0.00	0.00	0.00
4,000.00	22.04	0.56	3,834,36	921.44	8.99	-594,97	0.00	0.00	0.00
4,000.00	22.04	0.56	3,926.77	958.84	9.35	-619.13	0.00	0.00	0.00
CONTRACTOR OF THE PARTY OF THE			3,320.11	330.04	5.33	-015.13	0.00	0.00	0.00
	LS 9.00 TFO 14		4 200 24	1 011 20	07.00	504 F4	0.00	0.05	26.00
4,500.00 4,948.66	23.02 60.00	108.18	4,309.21	1,011.26	87.02 316.76	-594.54	9.00	0.25	26.88
		135.23	4,641.72	838.76	316.76	-307.91	9.00	8.24	6.03
Hold 60.00 Ir	300.00.00.00.00.00.00.00	405.00	4 007 00	007.40	040.07	202 52	0.00	0.00	0.00
5,000.00	60.00	135.23	4,867.39	807.19	348.07	-263.58	0.00	0.00	0.00
5,048.66	60.00	135.23	4,691.72	777.27	377.75	-221.57	0.00	0.00	0.00
Start Build D	LS 9.00 TFO 0.0	0							
5,219.15	75.34	135.23	4,756.30	665.64	488.48	-64.81	9.00	9.00	0.00
Start DLS 9.	00 TFO 0.01								
5,385.85	90.35	135.23	4,777.00	548.55	604.63	99.62	9.00	9.00	0.00
POE at 90,35	Inc 135.23 Deg					". 8"			
5,386.00	90.35	135.23	4,777.00	548.44	604.73	99.77	0.00	0.00	0.00
7"									
5,500.00	90.35	135.23	4,776.31	467.50	685.01	213.42	0.00	0.00	0.00
6,000.00	90.35	135.23	4,773.29	112.51	1,037,11	711.90	0.00	0.00	0.00
6,500.00	90.35	135.23	4,770.26	-242.48	1,389.20	1,210.38	0.00	0.00	0.00
7,000.00	90.35	135.23	4,767.24	-597.47	1,741.30	1,708.86	0.00	0.00	0.00
7,500.00	90.35	135,23	4,764.22	-952.47	2,093.39	2,207.33	0.00	0.00	0.00
8,000.00	90.35	135.23	4,761.20	-1,307.46	2,445.49	2,705.81	0.00	0.00	0.00
8,500.00	90.35	135.23	4,758.17	-1,662.45	2,797.58	3,204.29	0.00	0.00	0.00
9,000.00	90.35	135.23	4,755.15	-2,017.44	3,149.68	3,702.76	0.00	0.00	0.00
9,500.00	90.35	135.23	4,752.13	-2,372.44	3,501.77	4,201.24	0.00	0.00	0.00
10,000.00	90.35	135.23	4,749.10	-2,727.43	3,853.87	4,699.72	0.00	0.00	0.00
10,500.00	90.35	135.23	4,746.08	-3,082.42	4,205.97	5,198.19	0.00	0.00	0.00
11,000.00	90.35	135.23	4,743.06	-3,437.41	4,558.06	5,696.67	0.00	0.00	0.00
11,500.00	90.35	135.23	4,740.04	-3,792.41	4,910.16	6,195.15	0.00	0.00	0.00
12,000.00	90.35	135.23	4,737.01	-4,147.40	5,262.25	6,693.63	0.00	0.00	0.00
12,500.00	90.35	135.23	4,733.99	-4,502.39	5,614.35	7,192.10	0.00	0.00	0.00
13,000.00	90.35	135.23	4,730.97	-4,857.38	5,966.44	7,690.58	0.00	0.00	0.00
13,500.00	90.35	135.23	4,727.94	-5,212.37	6,318.54	8,189.06	0.00	0.00	0.00
14,000.00	90.35	135.23	4,724.92	-5,567.37	6,670.64	8,687.53	0.00	0.00	0.00
14,500.00	90.35	135.23	4,721.90	-5,922.36	7,022.73	9,186.01	0.00	0.00	0.00
15,000.00	90.35	135,23	4,718.87	-6,277.35	7,374.83	9,684.49	0.00	0.00	0.00
15,500,00	90.35	135,23	4,715.85	-6,632,34	7,726.92	10,182.96	0.00	0.00	0.00
15,806.33	90.35	135.23	4,714.00	-6,849.83	7,942.63	10,488.36	0.00	0.00	0.00

WPX

Planning Report

 Database:
 COMPASS

 Company:
 WPX Energy

 Project:
 T23N R9W

 Site:
 2309-14I WLU

 Well:
 W Lybrook UT #753H

 Wellbore:
 Wellbore #1

Design:

- Point

Design #1 28Sept16 sam

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well W Lybrook UT #753H (A2) - Slot A2 GL @ 6719.00usft (Original Well Elev) GL @ 6719.00usft (Original Well Elev) True Minimum Curvature

Design Targets Target Name - hit/miss target Dip Angle Dip Dir. TVD +N/-S +E/-W Northing Easting - Shape (usft) (bearing (usft) (usft) (usft) (usft) (") Latitude Longitude Start 60 Tan #753H 0.00 0.00 4,641.72 838.76 316.76 1,901,919.22 524,606.68 36.227107 -107.749905 plan hits target center
Point -107.749699 End 60 Tan #753H 0.00 0.00 4,691.72 777.28 377.76 1,901,857.79 524,667.73 36.226938 - plan misses target center by 0.01usft at 5048.67usft MD (4691.72 TVD, 777.27 N, 377.75 E) BHL #753H 0.00 0.00 4,714.00 -6,849.83 7,942.63 1,894,237.11 532,239.08 36.205982 -107.724057 plan hits target center
 Point 36.226310 -107.748929 POE #753H 0.00 4,777.00 548.55 604.63 524,894.79 0.00 1,901,629.25 - plan hits target center

Casing Points							
	Measured Depth (usft)	Vertical Depth (usft)		Name	Casing Diameter (in)	Hole Diameter (in)	
	320.00 5,386.00	320.00 4,777.00	9 5/8" 7"		9.625 7.000	12.250 8.750	

Plan Annotations	- 1				
	easured Depth (usft)	Vertical Depth (usft)	Local Coor +N/-S (usft)	dinates +E/-W (usft)	Comment
	1,000.00	1,000.00	0.00	0.00	Start Build 2.00
	2,101.84	2,074.87	209.28	2.04	Hold 22.04 Inclination
	4,099.69	3,926.77	958.84	9.35	Start Build DLS 9.00 TFO 140.68
	4,948.66	4,641.72	838.76	316.76	Hold 60.00 Inclination
	5,048.66	4,691.72	777.27	377.75	Start Build DLS 9.00 TFO 0.00
	5,219.15	4,756.30	665.64	488.48	Start DLS 9.00 TFO 0.01
	5,385.85	4,777.00	548.55	604.63	POE at 90.35 Inc 135.23 Deg
15	5,806.33	4,714.00	-6,849.83	7,942.63	TD at 15806.33

Well Name: W Lyprook U I #/53H WPXENERGY. Surface Location: 2309-14l WLU Azimuths to True North NAD 1927 (NADCON CONUS) , US State Plane 1927 (Exact solution) New Mexico West 3003 Magnetic North: 9.99 Ground Elevation: 6719.00 +N/-S +F/-W Northing Easting Latittude Longitude Slot Magnetic Field -107.750979 Strength: 50612.0snT 0.00 0.00 1901080.19 524290.63 36.224803 A2 Dip Angle: 63.07 GL @ 6719.00usft (Original Well Elev) Date: 12/31/2009 Model: IGRF200510 W-Lybrook UT #716H (A5) Start 60 Tan #753H W Lybrook UT #718H (A6) End 60 Tan #753H Project: T23N R9W Site: 2309-14l WLU Well: W Lybrook UT #753H Kimbeto Wash 13-1 Wellbore: Wellbore #1 W Lybrook UT #753H (A2) POE #753H Design: Design #1 28Sept16 sam W Lybroo UT #719H (A4) 50--1500usff/in) South(-)/North(+) (3000 usft/in) Lytrook UT #754H (A1) 2309-141 WITH Benjunje Federal #2 50 Hurricane Federal #1 25--3000-A1 South(-)/North(+) Benjunie Federal #1 A3 W Lybrook UT #753H (A2) vbrook UT #755H (A3) W Lybrook 11 #754H (A1) W Lybrook UT #719H (A4) WLU setback -7500-50 Willybrook UT #755H (A3) **BHL #753H** West(-)/East(+) (50 usft/in) -9000 3000 -1500-750 750 1500 2250 3750 4500 5250 6750 DESIGN TARGET DETAILS West(-)/East(+) (1500 usft/in) Longitude Shape Easting Latitude +N/-S +E/-W TVD Northing 36,227107 -107.749905 Point 524606.68 Start 60 Tan #753H 4641.72 838.76 316.76 1901919.22 - plan hits target center 377.76 1901857.79 524667.73 36.226938 -107.749698 Point End 60 Tan #753H 4691.72 777.28 0-SLOTS plan misses target center by 0.01usft at 5048.67usft MD (4691.72 TVD, 777.27 N, 377.75 E) 524894.79 36.226310 POE #753H 4777.00 548.55 604.63 1901629.25 9 5/8" Slot Name +E/-W Northing Easting - plan hits target center 10.91 -16.81 1901091.09 524273.81 usft/in) 36,205982 -107.724057 Point 532239.08 BHL #753H 4714.00 -6849.83 7942.63 1894237.11 A2 0.00 1901080.19 524290.63 0.00 - plan hits target center A3 -10.56 1901069.64 524307.45 16.81 1050-A4 A5 Start Build 2.00 -32 40 50.44 1901047.83 524341.10 43.33 67.25 1901036.92 524357.92 Depth (2100 -53.88 84.06 1901026.38 524374.74 ANNOTATIONS +N/-S +E/-W VSect Departure Annotation TVD 0.00 Start Build 2.00 0.00 1000.00 1000.00 0.00 0.00 0.00 0.00 Hold 22.04 Inclination -135,13 209.29 Hold 22 04 Inclination 2074.87 2101.84 22.04 0.56 209.28 2.04 Start Build DLS 9.00 TFO 140.68 3926,77 4099.69 22.04 0.56 958.84 9.35 -619,13 958.89 4641.72 4948,66 60.00 135.23 838.76 316.76 -307.91 1365.56 Hold 60.00 Inclination Start Build DLS 9.00 TFO 140.68 Start Build DLS 9.00 TFO 0.00 5048.66 60.00 777.27 377.75 -221.57 1452.16 4691.72 135.23 Vertical 488.48 -64.81 1609.40 Start DLS 9.00 TFO 0.01 75.34 3150 4756.30 5219.15 135.23 665 64 1774.33 POE at 90.35 Inc 135.23 Deg 4777.00 5385.85 90.35 135.23 548.55 604.63 99.62 Hold 60.00 Inclination 135.23 4714.00 15806.33 10488.36 12194.61 Start Build DLS 9.00 TFO 0.00 Ze. 4200-BHL #753H POE at 90.35 Inc 135.23 Deg Start-60 Tan #753H TD at 15806.33 End 60 Tan #753H

9100

8450

9750

10400

5250

-1300

-650

POE #753H

1300

1950

2600

3250

3900

5200

Vertical Section at 130.77bearing (1300 usft/in)

5850

6500

7150

7800

650

(Lat/Long) is recorded and full drill log report is completed and filed with WPX. The bed will not be energized for a minimum of 45 days.

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

7. 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 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

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 Figures 3, 4, 6 and 7 in Appendix B for the location of toilets per wellpad).

E. Garbage and other waste material

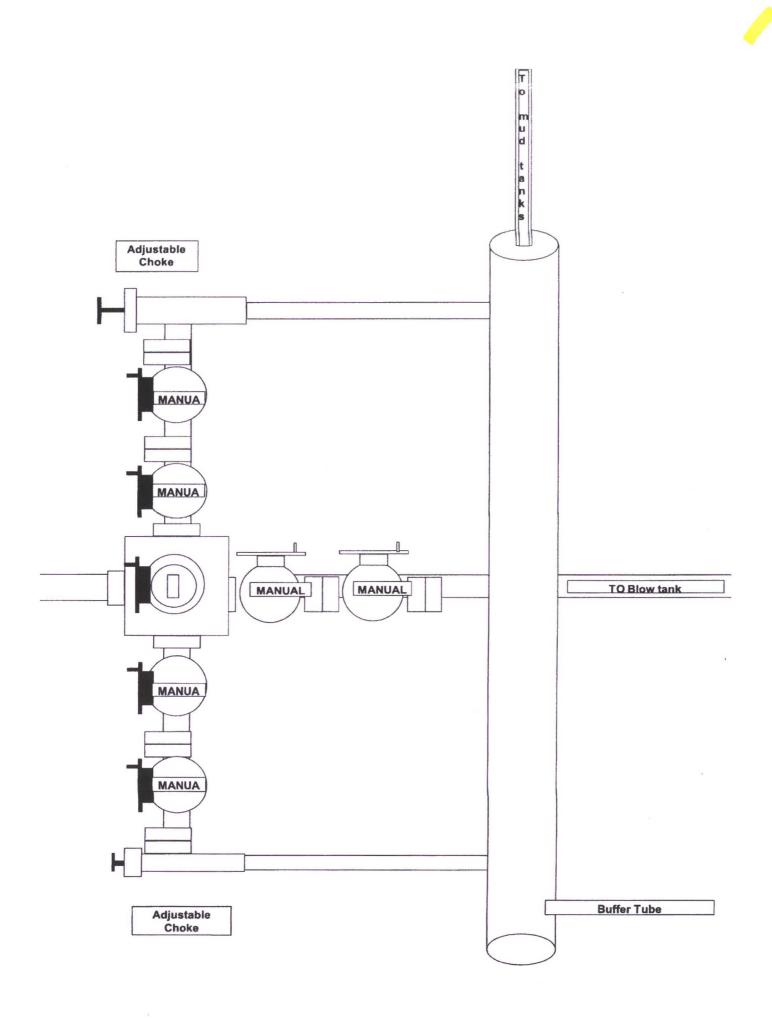
1 All garbage and trash will be placed in a metal trash basket. The trash and garbage will be hauled off site and dumped in an approved landfill, as needed.

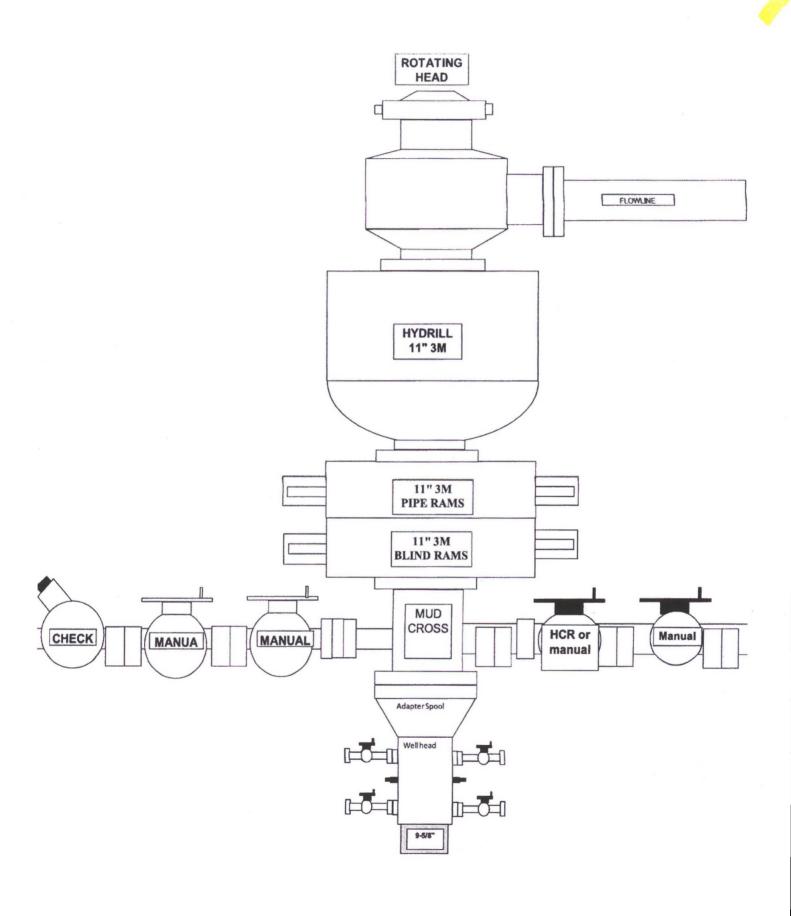
F. Hazardous Waste

- 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:

- 1 WPX Energy will dispose of produced water from this well at one of the following facilities:
 - 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
 - Jillson Federal #1, NMOCD order #R-10168, operated by ConocoPhillips, located in NW ¼, Section 8, Township 24 North, Range 3 West
 - Basin Disposal, permit #NM-01-005, located in the NW ¼, Section 3, Township 29 North, Range 11 West
 - 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.





<u>Directions from the Intersection of US Hwy 550 & US Hwy 64</u> in Bloomfield, NM to WPX Energy Production, LLC W Lybrook Unit #753H 1878' FSL & 691' FEL, Section 14, T23N, R9W, N.M.P.M., San Juan County, NM

Latitude: 36.224816°N Longitude: 107.751593°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 begin WPX W Lybrook Unit #710H proposed access on right-hand side;

Go Right (North-westerly) along WPX W Lybrook Unit #710H proposed access for 3412.5' to fork in proposed access:

Go Left (South-westerly) continuing for 1344.8° to staked WPX W Lybrook Unit #753H location.