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.

Operator Signature Date:
Well information; Operator WPX, Well Name and Number // Escurb (Int. 33/7)
API#_30-043_21248, Section_10, Township 22 N/S, Range 7 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
Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
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.
Charl Kem 3-10-2017
NMOCD 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

5

Form 3160-3 (March 2012)			OMB N	APPROVI lo. 1004-013 October 31, 2	37
UNITED STATES DEPARTMENT OF THE IN			5. Lease Serial No. NOG13121793	2000et 51, 2	2014
BUREAU OF LAND MANAC		1	6. If Indian, Allotee	or Tribe	Name Name
APPLICATION FOR PERMIT TO DE	RILL OR REENTER		EASTERN NAVAJ	40000	
la. Type of work: DRILL REENTER			7 If Unit or CA Agree /A/N ESCAVADA L		
lb. Type of Well: Oil Well Gas Well Other	Single Zone Multiple	le Zone	8. Lease Name and N N ESCAVADA UT	Well No. 331H	
Name of Operator WPX ENERGY LLC			9. API Well No.	-2/8	298
700 0 Mai- A-4 NIM 07440	. Phone No. (include area code) 605)333-1822		10. Field and Pool, or I BASIN MANCOS /	Explorator	ту
4. Location of Well (Report location clearly and in accordance with any St	tate requirements.*)		11. Sec., T. R. M. or B	lk. and Su	rvey or Area
At surface NWSW / 1594 FSL / 192 FWL / LAT 36.151213 At proposed prod. zone SWNE / 2325 FNL / 1652 FEL / LAT 3	A STATE OF THE PARTY OF THE PAR	299	SEC 10 / T22N / R	7W / NN	MP
14. Distance in miles and direction from nearest town or post office* 53.6 miles			12. County or Parish SANDOVAL		13. State NM
location to page 400 foot	6. No. of acres in lease	17. Spacing 280	g Unit dedicated to the		S. DIV DIST. 3
to nearest well, drilling, completed, 29.4 feet	19. Proposed Depth 1864 feet / 10899 feet	20. BLM/B	BIA Bond No. on file 01576	MAR	0 3 2017
	2. Approximate date work will start	t*	23. Estimated duration	n	
AND PORTS	05/01/2017		48 days		
	24. Attachments				
The following, completed in accordance with the requirements of Onshore C	Dil and Gas Order No.1, must be att	tached to thi	s form:		
Well plat certified by a registered surveyor. A Drilling Plan.	4. Bond to cover th Item 20 above).	e operation	ns unless covered by an	existing b	bond on file (see
 A Surface Use Plan (if the location is on National Forest System Lan SUPO must be filed with the appropriate Forest Service Office). 			ormation and/or plans as	may be r	equired by the
25. Signature (Electronic Submission)	Name (Printed/Typed) Lacey Granillo / Ph: (505)333-1816	6	Date 01/17/2	2017
Title Permitting Tech III					
Approved by (Signature)	Name (Printed/Typed)			Date 3	12/17
Title	Office				1

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.

FARMINGTON

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)

technical and procedural review

This action is subject to

*(Instructions on page 2)

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

pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 **DRILLING OPERATIONS AUTHORIZED** ATTACHED "GENERAL REQ! ENTS'



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 4000 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax (505) 334-6170 District IV 4220 S, St. Francis Drive, Santa Fe, NM 87420 S, St. Francis Drive, Santa Fe, NM 87

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 1, 2011

Submit one copy to Appropriate District Office

OLCONS. DIV DIST. 3

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*Pool Code

MAR 0 3 2017

36	21299	8	98172	2	ES	CAVADA	N; MA	NCOS (OIL)		
Code)6					The second secon				Well Number 331H	
5		*Operator Name *Elevation WPX ENERGY PRODUCTION, LLC 6860								
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Section 10	22N	Plange 7W	Let Idn	feet from the 1594	Morth/South 11/ SOUTH	7 7	the second	East/rest line WEST	SANDOVAL	
		1 Bottom	Hole	Location I	f Differen	t From	Sunfa	ce		
Section 15	Township 22N	Aarge 7W	Let Idn	2325		w Feet	from the	EAST	SANDOVAL	
E/2	SE/4 -	Section	9	didoing or Infall	⁶⁵ Consolidation Con	e d'Order	-	14080	4.	
					1		7	1 1080		
CAITOV	NB8 *59 X	16 W 2645 99 ASURED)	NBB LQ	22 32 W 2627,96 IMEASURED)	NEASU MEASU	2629,03°	BEI	EN APPROVED	BY THE DIVI	
2N R7N 50835 'N 571549 'W		(000	2637.	1594 F SEC 10 LAT: 3	SL 192 FWL T22N, A7W 6.151198 W	EC030)	1 (CE)	hereby centify that rein is true and co owledge and belief,	the information complete to the best and that this orga	
AD1927 50850 'N		38	32 E	DATUM	07.570040 W 1: NAD1927 5.151213 W	HALL TE SE	6.450 8.880	neral interest in to opcome bottom-hole gcill this well at	ne land including a location or has a this location pur	
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NO 132 E	2639,67 XORD)	282 0	Total Street	The second secon	N88 140 W 2	122.18 D)	SCHOOL IN	Inted Name	Buryanaray da	
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su v	9 12-	ASUMEU)	ED)	Bath		20.45	8 0	y supervision and and correct to the l ate Revised:	that the same as to sest of my belief JANUARY 10.	
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-1	b —	0	13	END-OF-	STREET, SQUARE, SQUARE			(3/2)		
		CORD)	CAED!	2325 FNL SEC 15 LAT: 36.	1652' FEL 122N, A7N 140223 N	360.45	(03)	[]	5269) E	
		WW.	Ine -		.DOBBY W	561	No. I	1 2 1	/4/	
	Section 10 Section 10 Section 15 E/2 SW/4 N/2	Code 16 16 17 22 18 18 10 22 10 22 10 22 10 22 11 22 15 22 15 22 21 21 21 21 21 21 21 21 21 21 21 21	Section Township Range 10 22N 7W 11 Bottom	Code	Property	Property Name N ESCAVADA UT	Property Name N ESCAVADA UT	Property Name	Code N ESCAVADA UT To Specific Name N ESCAVADA UT To Specific Name Section Name N ENERGY PRODUCTION, LLC 10 Surface Location Section Township Name Let isn Peet from the Section Name 10 22N 7W 1594 SOUTH 192 WEST 11 Bottom Hole Location If, Different From Surface Section Nember Name N Experiment	



WPX Energy

Operations Plan

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

Date:

January 17, 2017

Field:

Lybrook Gallup

Well Name:

N Escavada UT #331H

Surface:

Surrace.

SH Location:

NWSW Sec 10-22N-07W

Elevation:

6860' GR

BH Location:

SWNE Sec 15-22N-07W

Minerals:

Measured Depth: 10,899.22'

I. GEOLOGY

Surface formation - NACIMIENTO

A. FORMATION TOPS: (KB)

NAME	MD	TVD	NAME	MD	TVD
OJO ALAMO	704	704	POINT LOOKOUT	3769	3645
KIRTLAND	855	854	MANCOS	3925	3794
PICTURED CLIFFS	1227	1219	GALLUP	4267	4121
LEWIS	1344	1332	KICKOFF POINT	4,215.36	4,071.11
CHACRA	1643	1617	TOP TARGET	5276	4888
CLIFF HOUSE	2774	2696	LANDING POINT	5,462.36	4,913.56
MENEFEE	2813	2733	BASE TARGET	5,462.36	4,913.56
			TD	10,899.22	4,864.00

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 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. 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"	5,462.36'	7"	23 LBS	J-55 or equiv	LTC
PRODUCTION	6.125"	5312.36' - 10,899.22'	4.5"	11.6 LBS	P-110 or equiv	LTC
TIE BACK	6.125"	Surf 5312.36'	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 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:

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: 102 bbls, 291 sks, (573 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/ +/- 215 bbl Drilling mud or water. Total Cement: 161 bbls, 545 sks, (903 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 (547 sx /744 cuft /133 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/-142bbl Fr Water. Total Cement (547 sx /744bbls).

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

T22N R7W 2207-10L NEU N Escavada UT #331H - Slot A1

Wellbore #1

Plan: Design #2 26Feb16 sam

Standard Planning Report

26 February, 2016

WPX

Planning Report

Database: Company: Project: Site:

COMPASS **WPX Energy T22N R7W** 2207-10L NEU

N Escavada UT #331H Wellbore #1 Design #2 26Feb16 sam Local Co-ordinate Reference: **TVD Reference:**

MD Reference: North Reference: **Survey Calculation Method:** Well N Escavada UT #331H (A1) - Slot A1 GL @ 6860,00usft (Original Well Elev) GL @ 6860.00usft (Original Well Elev)

True

Minimum Curvature

Project

Well:

Wellbore:

Design:

T22N R7W

Map System:

US State Plane 1927 (Exact solution)

System Datum:

Mean Sea Level

Geo Datum:

NAD 1927 (NADCON CONUS)

Map Zone:

New Mexico West 3003

2207-10L NEU

Site Position:

Northing:

1,874,369.33 usft

Latitude:

36.151162

From:

Well

Site

Мар

Easting:

577,790.34 usft

Longitude:

Position Uncertainty:

0.00 usft Slot Radius: 13.200 in

Grid Convergence:

-107.569842 0.16°

N Escavada UT #331H - Slot A1

+N/-S +E/-W

13.21 usft

Northing: Easting:

1,874,382.38 usft

Latitude:

36.151198

Position Uncertainty

-58.49 usft 0.00 usft

Wellhead Elevation:

1/8/2016

577,731.81 usft 0.00 usft Longitude: **Ground Level:** -107.570040 6,860.00 usft

Wellbore

Well Position

Wellbore #1

Magnetics **Model Name** Sample Date

IGRF2010

Declination (°)

Dip Angle 9.19

Field Strength

62.88

49,969

(nT)

Design

Design #2 26Feb16 sam

Audit Notes:

Version:

Phase:

PLAN

Tie On Depth:

0.00

Vertical Section:

Depth From (TVD) (usft) 0.00

+N/-S (usft) 0.00

+E/-W (usft) 0.00

Direction (bearing) 140.01

Measured Depth I (usft)	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	
1,372.48	17.45	292.98	1,359.06	51.47	-121.37	2.00	2.00	0.00	292.98	
4,215.36	17.45	292.98	4,071.11	384.30	-906.20	0.00	0.00	0.00	0.00	
5,063.22	60.00	135.28	4,798.30	135.10	-739.50	9.00	5.02	-18.60	-160.23	Start 60 Tan #331 2
5,123.22	60.00	135.28	4,828.30	98.18	-702.94	0.00	0.00	0.00	0.00	End 60 Tan #331H
5,296.40	75.59	135.28	4,893.55	-15.39	-590.46	9.00	9.00	0.00	0.00	
5,462.36	90.52	135.28	4,913.56	-132.11	-474.87	9.00	9.00	0.00	0.00	POE #331H 24Feb
10,899.22	90.52	135.28	4,864.00	-3,995.03	3,350.69	0.00	0.00	0.00	0.00	BHL #331H

WPX
Planning Report

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Database: Company: Project: COMPASS WPX Energy T22N R7W 2207-10L NEU

2207-10L NEU N Escavada UT #331H

Well: Wellbore: Design:

Site:

Wellbore #1 Design #2 26Feb16 sam Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well N Escavada UT #331H (A1) - Slot A1 GL @ 6860,00usft (Original Well Elev)

GL @ 6860.00usft (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	0.00	0.00	320.00	0.00	0.00	0.00	0.00	0.00	0.00
9 5/8"					AND THE PERSON	Toronto (Carlo			
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2	the second secon								
1,000.00	10.00	292.98	997.47	16.99	-40.07	-38.77	2.00	2.00	0.00
1,372.48	17.45	292.98	1,359.06	51.47	-121.37	-117.43	2.00	2.00	0.00
Hold 17,45 I	nclination								
1,500.00	17.45	292.98	1,480.71	66.40	-156.58	-151.49	0.00	0.00	0.00
2,000.00	17.45	292.98	1,957.70	124.94	-294.61	-285.05	0.00	0.00	0.00
2,500.00	17.45	292.98	2,434.69	183.48	-432.65	-418.60	0.00	0.00	0.00
3,000.00	17.45	292.98	2,911.68	242.01	-570.68	-552.16	0.00	0.00	0.00
3,500.00	17.45	292.98	3,388.67	300.55	-708.71	-685.71	0.00	0.00	0.00
4,000.00	17.45	292.98	3,865.66	359.09	-846.75	-819.26	0.00	0.00	0.00
4,215.36	17.45	292.98	4,071.11	384.30	-906.20	-876.79	0.00	0.00	0.00
Start Build I	DLS 9.00 TFO -10	60.23							
4,500.00	10.82	164.13	4,351.35	375.11	-938.73	-890.65	9.00	-2.33	-45.27
5,000.00	54.35	136.10	4,764.04	173.09	-776.61	-631.68	9.00	8.71	-5.61
5,063.22	60.00	135.28	4,798.30	135.10	-739.50	-578.73	9.00	8.93	-1.29
Hold 60.00 I	nclination								
5.123.22	60.00	135.28	4,828.30	98.18	-702.94	-526.94	0.00	0.00	0.00
Start Build	DLS 9.00 TFO 0.0								
5,296,40	75.59	135.28	4,893.55	-15.39	-590.46	-367.64	9.00	9.00	0.00
Start DLS 9	00 TFO 0.00							And the state of t	
5,462.36	90.52	135.28	4,913.56	-132.12	-474.87	-203.93	9.00	9.00	0.00
POE at 90.5	2 Inc 135,28 Deg	-7"	e e come						
5,500.00	90.52	135.28	4,913.22	-158.86	-448.38	-166.42	0.00	0.00	0.00
6,000.00	90.52	135.28	4,908.66	-514.11	-96.57	331.85	0.00	0.00	0.00
6,500.00	90.52	135.28	4.904.10	-869.36	255.25	830.12	0.00	0.00	0.00
7,000.00	90.52	135.28	4.899.54	-1,224.62	607.07	1,328.40	0.00	0.00	0.00
7,500.00	90.52	135.28	4,894.99	-1,579.87	958.88	1,826.67	0.00	0.00	0.00
8,000.00	90.52	135.28	4,890.43	-1,935.12	1,310.70	2,324.94	0.00	0.00	0.00
8,500.00	90.52	135.28	4,885.87	-2,290.37	1,662.52	2,823.22	0.00	0.00	0.00
9,000.00	90.52	135.28	4,881,31	-2.645.62	2.014.33	3,321,49	0.00	0.00	0.00
9,500.00	90.52	135.28	4,876.75	-3,000.88	2,366.15	3,819.76	0.00	0.00	0.00
10,000.00	90.52	135.28	4,872.20	-3,356.13	2,717.97	4,318.04	0.00	0.00	0.00
10,500.00	90.52	135.28	4.867.64	-3,711,38	3,069.79	4,816.31	0.00	0.00	0.00
10,899.22	90.52	135.28	4,864.00	-3,995.03	3,350.69	5,214.15	0.00	0.00	0.00

WPX

Planning Report

Database: COMPASS
Company: WPX Energy
Project: T22N R7W
Site: 2207-10L NEU
Well: N Escavada UT #331H
Wellbore: Wellbore #1

Design #2 26Feb16 sam

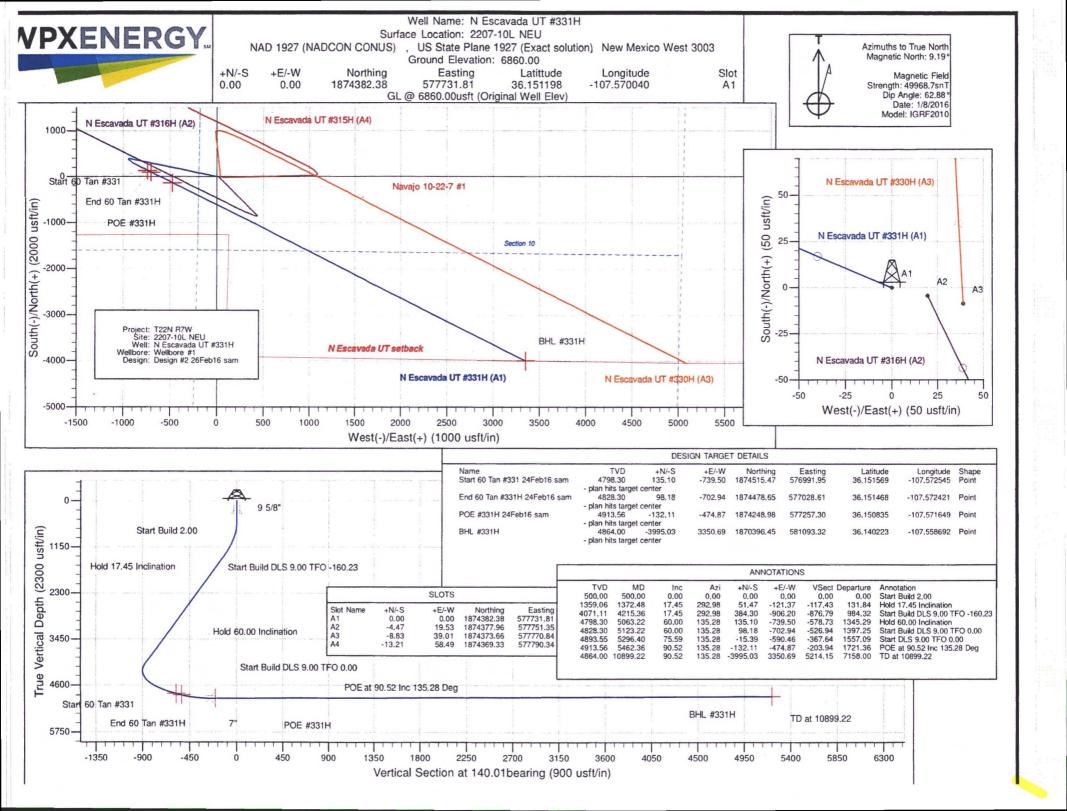
Design:

Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: Survey Calculation Method: Well N Escavada UT #331H (A1) - Slot A1 GL @ 6860.00usft (Original Well Elev) GL @ 6860.00usft (Original Well Elev) True Minimum Curvature

Design Targets									
Target Name - hit/mlss target - Shape	Dip Angle (°)	Dip Dir. (bearing	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latifude	Longitude
Start 60 Tan #331 24Fet - plan hits target cente - Point	0.00 er	0.00	4,798.30	135.10	-739.50	1,874,515.48	576,991.95	36.151570	-107.57254
End 60 Tan #331H 24Fe - plan hits target cente - Point	0.00 er	0.00	4,828.30	98.18	-702.94	1,874,478.66	577,028.61	36.151468	-107.57242
BHL #331H - plan hits target cente - Point	0.00 er	0.00	4,864.00	-3,995.03	3,350.69	1,870,396.45	581,093.32	36.140223	-107.55869
POE #331H 24Feb16 sa - plan hits target cente - Point	0.00 er	0.00	4,913.56	-132.11	-474.87	1,874,248.98	577,257.30	36.150835	-107.57164

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	
	5,462.36	4,913.56	7"		7.000	8.750	

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coord +N/-S (usft)	nates +E/-W (usft)	Comment
500.00	500.00	0.00	0.00	Start Build 2.00
1,372.48	1,359.06	51.47	-121.37	Hold 17.45 Inclination
4,215.36	4,071.11	384.30	-906.20	Start Build DLS 9.00 TFO -160.23
5,063.22	4,798.30	135.10	-739.50	Hold 60.00 Inclination
5,123.22	4,828.30	98.18	-702.94	Start Build DLS 9.00 TFO 0.00
5,296.40	4,893.55	-15.39	-590.46	Start DLS 9.00 TFO 0.00
5,462.36	4,913.56	-132.11	-474.87	POE at 90,52 Inc 135.28 Deg
10,899.22	4,864.00	-3,995.03	3,350.69	TD at 10899.22



determined during construction and interim reclamation and installed where needed as needed.

- d. Facilities will be painted Juniper Green.
- e. BLM approved sagebrush seed mix will be used during reclamation.
- f. Vegetation will be mulched and incorporated into the topsoil.
- 5. All project activities will be confined to permitted areas only.
- 6. Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, backhoe, trencher, compact track loader, 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.

D. Production Facilities

- As practical, access will be a teardrop-shaped road through the production area so that the center may be revegetated.
- 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.

After the completion phases and pipeline installation, portions of the project area not needed for operation will be reclaimed. When the well is 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
 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

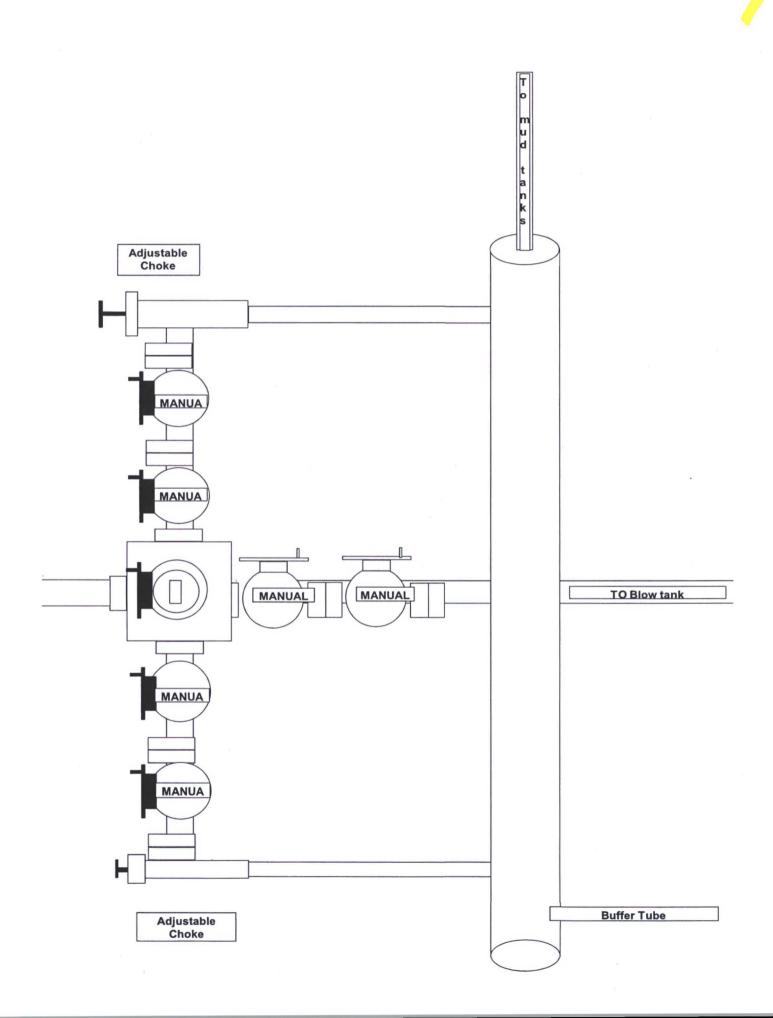
 Drilling fluids will be stored onsite in above-ground storage tanks. Upon termination of drilling operations, the drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as practical. All residual fluids will be hauled to a commercial disposal facility.

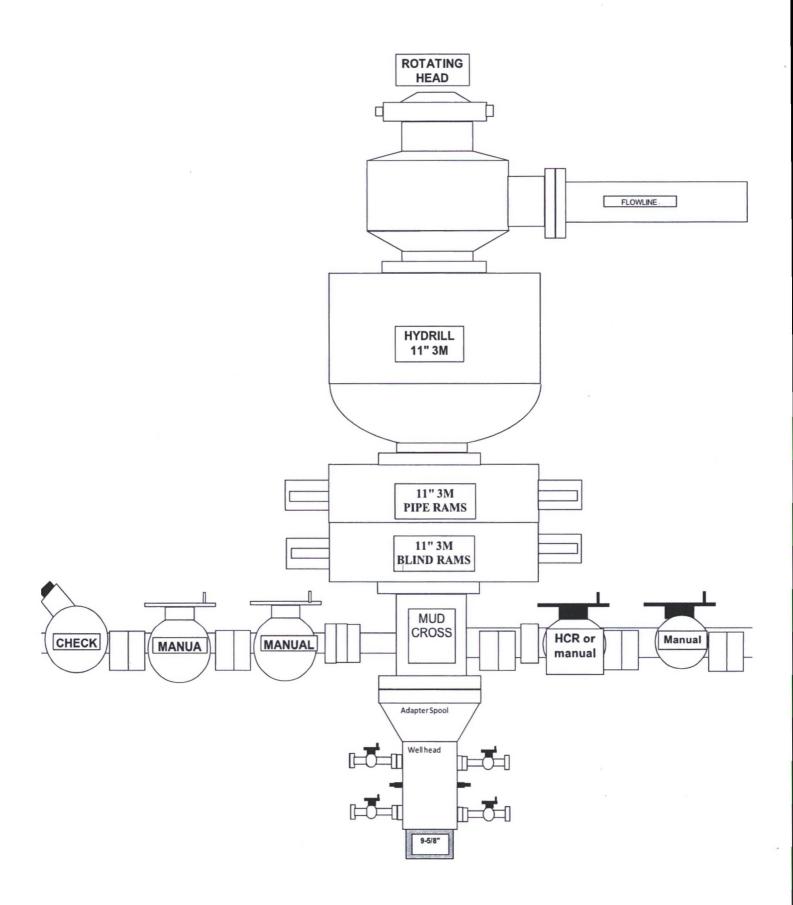
C. Spills

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 Figure 4 in Appendix B for the location of toilets).
- E. Garbage and other water material





<u>Directions from the Intersection of US Hwy 550 & US Hwy 64</u> in Bloomfield, NM to WPX Energy Production, LLC N Escavada UT #331H 1594' FSL & 192' FWL, Section 10, T22N, R7W, N.M.P.M., Sandoval County, NM

Latitude: 36.151213°N Longitude: 107.570647°W Datum: NAD1983

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Southerly on US Hwy 550 for 53.6 miles to Mile Marker 97.7;

Go Right (Southerly) on Indian Service Route #474 for 4.9 miles to fork in roadway;

Go Right (Westerly) exiting Indian Service Route #474 for 2.5 miles to fork in roadway;

Go Right (Westerly) which is straight for 0.3 miles to fork in roadway;

Go Right (Westerly) which is straight for 1.0 miles to 4-way intersection;

Go Straight (Westerly) for 1.2 miles to 4-way intersection;

Go Left (Southerly) for 1.7 miles to 4-way intersection;

Go Right (Westerly) for 1.1 miles to new access on left-hand side of existing roadway which continues for an additional 29.4' to staked WPX N Escavada UT #331H location.