

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions
listed below are made in accordance with OCD Rule 19.15.7.11
and are in addition to the actions approved by BLM on the
following 3160-3 APD form.

Operator Signature Date: 4-8-14

Well information;

Operator WPX, Well Name and Number Chaco 2307-17H #275H

API# 30-039-31227, Section 17, Township 23 NS, Range 7 EW

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 verification of well type 9/6
- ☒ 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
- ☒ 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.

Charles Lerner
NMOCD Approved by Signature

5-2-2014
Date

RECEIVED

APR 08 2014

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

NMNM 658877

6. Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.

Chaco 2307-17H #275H

2. Name of Operator

WPX Energy Production, LLC

9. API Well No.

30-039-31227

3a. Address

P.O. Box 640 Aztec, NM 87410

3b. Phone No. (include area code)

(505) 333-1808

10. Field and Pool, or Exploratory

Basin Mancos

4. Location of Well (Report location clearly and in accordance with any State requirements)

At surface 1849' FNL & 372' FEL, sec 17, T23N, R7W

At proposed prod. zone 1460' FNL & 230' FWL, sec 17, T23N, R7W

11. Sec., T., R., M., or Blk. and Survey or Area

Surface: Sec 17, T23N, R7W

BHL: Sec 17, T23N, R7W

14. Distance in miles and direction from nearest town or post office*

approximately 1 mile west of Lybrook, New Mexico

12. County or Parish

Rio Arriba County

13. State

NM

15. Distance from proposed*

location to nearest
property or lease line, ft.

(Also to nearest drig. unit line, if any) 372'

16. No. of Acres in lease

640

17. Spacing Unit dedicated to this well

160 acres

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

22'

19. Proposed Depth

10,864' MD / 5,648' TVD

20. BLM/BIA Bond No. on file

UTB000178

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

7257' GR

22. Approximate date work will start*

July 1, 2014

23. Estimated duration

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.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized officer.

25. Signature

Larry Higgins

Name (Printed/Typed)

Larry Higgins

Date

4/8/2014

Title

Regulatory Specialist

Approved by (Signature)

[Signature]

Name (Printed/Typed)

Office

FFO

Date

4/23/14

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 Basin Mancos formation at the above described location in accordance with the attached drilling and surface use plans.

The well pad surface is under jurisdiction of the BLM. This location is shared with the Chaco 2307-17H #163H

This location has been archaeologically surveyed by SA/Plata Archaeological Consultants. Copies of their report have been submitted directly to the BLM.

646' of new access road is needed for this well site

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

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 SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

NMOCDAV

APD Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 8th day of April, 2014.

Name Larry Higgins

Position Title Regulatory Specialist

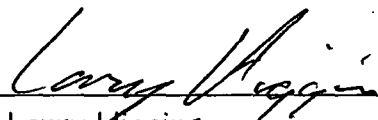
Address P.O. Box 640, Aztec, NM 87410

Telephone (505) 333-1808

Field representative (if not above signatory) _____

E-mail larry.higgins@wpxenergy.com

Date: 04/08/14



Larry Higgins
Regulatory Spec.
WPX Energy Production, LLC

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

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

RECEIVED
AMENDED REPORT

APR 08 2014

WELL LOCATION AND ACREAGE DEDICATION PLAT

Farmington Field Office

Bureau of Land Management

*API Number 30-039-31227		*Pool Code 97232	*Pool Name BASIN MANCOS
*Property Code 313186		*Property Name CHACO 2307-17H	*Well Number 275H
*GRID No. 120782		*Operator Name WPX ENERGY PRODUCTION, LLC	*Elevation 7257'

¹⁰ Surface Location

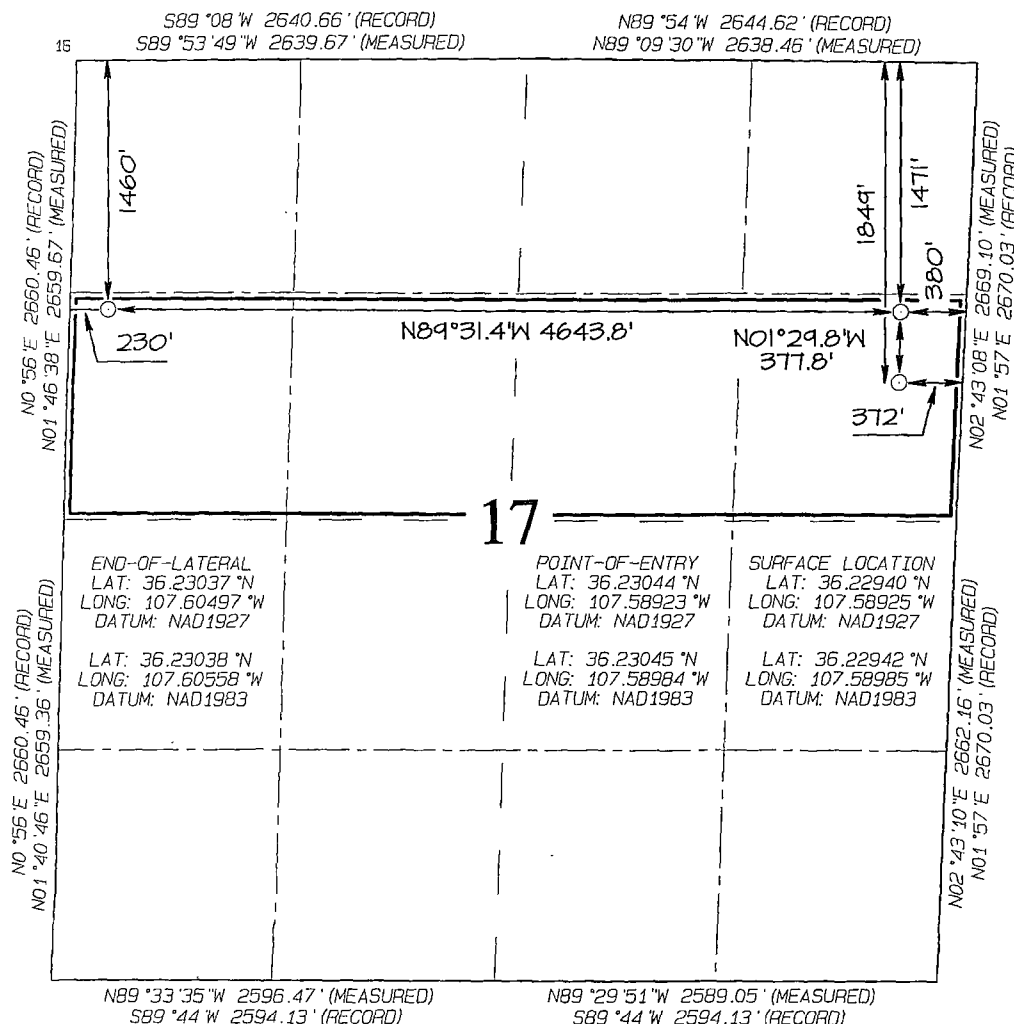
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	23N	7W		1849	NORTH	372	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	17	23N	7W		1460	NORTH	230	WEST	RIO ARriba

¹² Dedicated Acres 160.0 Acres - (S/2 N/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Larry Higgins* Date: 4/8/14

Printed Name: Larry Higgins

E-mail Address: larry.higgins@wpxenergy.com

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Revised: MARCH 17, 2014
Survey Date: JANUARY 30, 2014

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
15269

JASON C. EDWARDS
Certificate Number 15269

WPX ENERGY

WPX ENERGY

Operations Plan

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

DATE: 3/25/2014 **FIELD:** Basin Mancos
WELL NAME: Chaco 2307-17H #275H **SURFACE:** BLM
SH Location: SENE Sec 17-23N-07W **ELEVATION:** 7257' GR
BH Location: SWNW Sec 17-23N-07W **MINERALS:** BLM
Rio Arriba, NM
MEASURED DEPTH: 10,864' **LEASE #:** NMNM58877

I. GEOLOGY: Surface formation – San Jose

A. FORMATION TOPS: (KB)

Name	MD	TVD	Name	MD	TVD
Ojo Alamo	1467	1456	Point Lookout	4517	4439
Kirtland	1786	1768	Mancos	4662	4583
Picture Cliffs	2132	2106	Kickoff Point	5148	5067
Lewis	2255	2226	Top Target	5940	5677
Chacra	2554	2519	Landing Point	6219	5734
Cliff House	3651	3592	Base Target	6219	5734
Menefee	3679	3619			
			TD	10864	5648

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 3/4" 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 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.**

NOTE: Vertical portion of the well (8-3/4 in.) will be directionally drilled as per attached Directional Plan to +/- 5,148 (MD) / 5,067' (TVD). Curve portion of wellbore will be drilled and landed at +/- 90 deg. at +/- 6,219' (MD) / 5,734' (TVD). 7 in. csg will be set at this point. A 6-1/8" Lateral will be drilled as per the attached Directional Plan to +/- 10,864' (MD) / 5,648' (TVD). Will run 4-1/2 in. Production Liner from +/- 6,069 ft. to TD and cemented. Liner will be tied back to surface w / 4-1/2" Casing for stimulation / testing, then removed from the well.

III. MATERIALS

A. CASING PROGRAM:

<u>CASING TYPE</u>	<u>OH SIZE (IN)</u>	<u>DEPTH (MD) (FT)</u>	<u>CASING SIZE (IN)</u>	<u>WEIGHT(LB)</u>	<u>GRADE</u>
Surface	12.25"	400'+	9.625"	36#	J-55
Intermediate	8.75"	6,219'	7"	23#	K-55
Prod. Liner	6.125"	6,069' - 10,864'	4-1/2"	11.6#	N-80
Tie-Back String	N/A	Surf. - 6,069'	4-1/2"	11.6#	N-80

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 2,700 ft., 2,500 ft., 2,300ft., and 2,000ft. Additionally run 1 turbolizing centralizer on every other joint from 100' below the top of the Kirtland to 100' above the top of the Ojo Alamo, as referenced in Formation Tops in Section I-A.
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 + (2) RSI (Sliding Sleeves) positioned inside the 330ft Hard line. Centralizer program will be determined by Wellbore condition and when Lateral is evaluated by Geoscientists and Reservoir Engineers. Set seals on Liner Hanger. Test TOL to 1500 psi for 15 minutes.
4. TIE-BACK CASING: None

C. CEMENTING:

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

1. SURFACE: 10 bbl Fr Water Spacer + 190 sx (222.3 cu.ft.) of "Premium Cement" + 2% Calcium Chloride Cement + 0.125# pps of Poly-E-Flake, 15.8 #/gal (1.17 cu ft./sk, Vol 39.58 Bbls.). The 100% excess should circulate cement to the surface. WOC 12 hours. Test csg to 600psi. Total Volume: (222.3 cu-ft/190 sx/39.6 Bbls). TOC at Surface.
2. INTERMEDIATE: 20 bbl (112 cu-ft) Mud Flush III spacer + Lead: 850 sx Foamed 50/50 Poz Cement. 13.0 ppg + 0.1% Halad 766 + 0.2% Versaset + 1.5% Chem-Foamer 760 (Yield :1.43 cu-ft/ sk. / Vol: 1216 cu-ft / 216.5 Bbls.) + TAIL: 100 sx 13.5 #/gal. + 0.2% Versaset + 0.15% HALAD-766 (Yield: 1.28 cu-ft / sk / Vol: 128 cu-ft / 22.8 Bbls.). + Fresh Water Displacement (1,362 cu-ft / +/- 242 Bbls) + 100 sx Top-Out Cement Premium: Yield: (1.17 cu-ft/ sk / (Vol: 117 cu-ft / 20.8 Bbls). Test Casing to 1500 PSI for 30 minutes. Total Cement Volume: (1050 sx / 1461 cu-ft / 260 bbls). Mix with +/- 84,000 SCF Nitrogen. TOC at surface.

3. **PRODUCTION LINER:** **STAGE 1:** 10 bbl (56 cu-ft) Fr Water Spacer. **STAGE 2:** 40 bbl 9.5 ppg (224.6 cu-ft) Tuned Spacer III + 0.5 gal/bbl Musol + 38.75 ppb Barite + 0.5 gal/bbl SEM-7. **STAGE 3:** 10 bbl Fr Water Spacer. **STAGE 4: Lead Cement:** 50 / 50 Poz Premium + 0.2% Versaset + 0.2% Halad -766, Yield 1.43 cu ft/sk, 13.0 ppg, (10 sx / 14.3 cu ft. / 2.5 bbls). **STAGE 5:** 200 sx. Foamed Lead Cement: 50 / 50 Poz Standard + 0.2% Versaset + 0.2% HALAD-766 + 1.5% Chem-Foamer 760. Yield 1.97 cu-ft/sk. 13.0 ppg (200 sx / 394 cu-ft. / 70.2 bbls.). **STAGE 6:** Tail Cement : 100 sx. 50/50 Poz Standard + 0.2% Versaset + 0.05% HALAD-766 + .05% SA-1015, Weight: 13.5 ppg (100 sx / Yield 1.28 cu ft/sk. / 128 cu ft. / 22.8 bbls) **STAGE 7:** Displace w/ +/- 137 bbl Fr Water. Total Cement (536.3 cu ft / 95.5 bbls). Mix Foamed Cement w/ +/- 75,000 SCF Nitrogen. Est. TOC +/- 5,769 ft.

IV. COMPLETION

A. CBL

1. Run CCL for perforating.

B. PRESSURE TEST

1. Pressure test 4-1/2" casing to 4500 psi max, hold at 1500 psi for 30 minutes. Increase pressure to Open RSI sleeves.

C. STIMULATION

1. Stimulate with approximately 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.

D. RUNNING TUBING

1. Production Tubing: Run 2-7/8", 6.5#, J-55, EUE tubing with a SN on top of bottom joint. Land tubing near Top of Liner point of curve (~5,800' MD).

- Although this horizontal well will be drilled past the applicable setbacks, an unorthodox location application is not required because the completed interval in this well, as defined by 19.15.16.7 B(1) NMAC, will be entirely within the applicable setbacks. This approach complies with all applicable rules, including 19.15.16.14 A(3) NMAC, 19.15.16.14 B(2) NMAC, 19.15.16.15 B(2) NMAC, and 19.15.16.15 B(4) NMAC.

NOTE:

Installation of RSI sleeves at Toe of Lateral.

Proposed Operations:

A 4-1/2" 11.6# N-80 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# K-55 Intermediate casing (set at 6,219 ft. MD) with a Liner Hanger and pack-off assembly then cemented to +/- 300 ft above the liner hanger.

TOL will be +/- 6,069 ft. (MD) +/- 78 degree angle. TOC: +/- 5,769 ft. (MD).

After cementing and TOL clean up operations are complete, the TOL will be tested to 1500 psi (per BLM).

A 4-1/2" 11.6# N-80 tie-back string with seal assembly will be run and stung into the PBR of the liner hanger, tested to 1500 PSI and hung off at the surface.

The Drilling Rig will be rigged down at this point and Completion operations will begin. After Stimulation and Testing operations are complete the 4-1/2" tie-back string will be removed from the well.

Note: Changes to formation tops, casing landing points, well TD and Directional Plan.

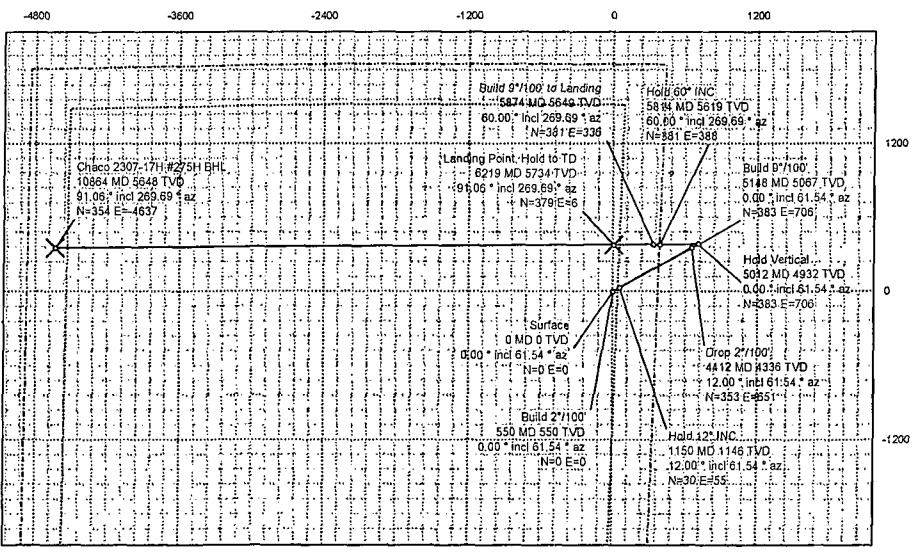
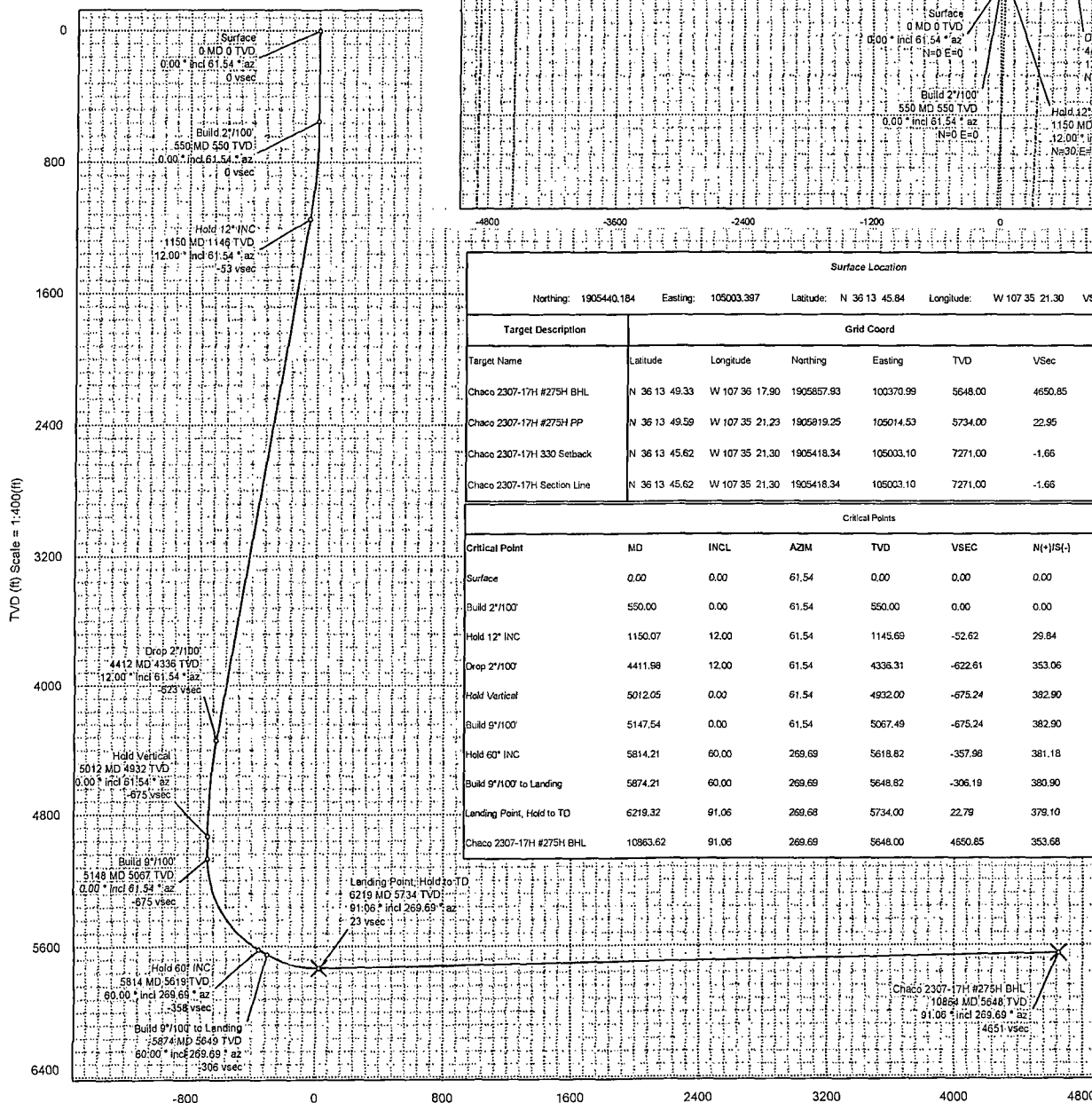
Borehole:	Well:	Field:	Structure:
Original Hole	Chaco 2307-17H #275H	NM, Rio Arriba (NAD 27 CZ)	Sec 17-23N-7W

Gravity & Magnetic Parameters	Surface Location	Miscellaneous
Model: BGGM 2013 Dip: 62.997° Date: 20-Mar-2014	NAD27 New Mexico State Plane, Central Zone, US Feet	Slot: Chaco 2307-17H #275H
MagDec: 9.469° FS: 50120.438nT Gravity FS: 998.466mgn (9.80665 Based)	Lat: N 36 13 45.84 Northing: 1905440.184ft Grid Conv: -0.7916°	TVD Ref: RKB(7271ft above MSL)
	Lon: W 107 35 21.30 Easting: 105003.397ftU Scale Fact: 1.00007854	Plan: Chaco 2307-17H #275H R0 mdv 20Mar14

Proposal



True North
Tot Corr (M→T 9.469°)
Mag Dec (9.469°)
Grid Conv (-0.792°)



Surface Location								
Northing: 1905440.184		Easting: 105003.397		Latitude: N 36 13 45.84		Longitude: W 107 35 21.30		VSec Azimuth: 274.361
Target Description		Grid Coord					Local Coord	
Target Name	Latitude	Longitude	Northing	Easting	TVD	VSec	N(+)/S(-)	E(+)/W(-)
Chaco 2307-17H #275H BHL	N 36 13 49.33	W 107 36 17.90	1905857.93	100370.99	5648.00	4650.85	353.68	-4637.38
Chaco 2307-17H #275H PP	N 36 13 49.59	W 107 35 21.23	1905819.25	105014.53	5734.00	22.95	379.15	5.90
Chaco 2307-17H 330 Setback	N 36 13 45.62	W 107 35 21.30	1905418.34	105003.10	7271.00	-1.66	-21.84	0.00
Chaco 2307-17H Section Line	N 36 13 45.62	W 107 35 21.30	1905418.34	105003.10	7271.00	-1.66	-21.84	0.00
Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/S(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	61.54	0.00	0.00	0.00	0.00	
Build 2°/100'	550.00	0.00	61.54	550.00	0.00	0.00	0.00	0.00
Hold 12° INC	1150.07	12.00	61.54	1145.69	-52.62	29.84	55.05	2.00
Drop 2°/100'	4411.99	12.00	61.54	4336.31	-622.61	353.06	651.35	0.00
Hold Vertical	5012.05	0.00	61.54	4932.00	-675.24	382.90	705.40	2.00
Build 9°/100'	5147.54	0.00	61.54	5067.49	-675.24	382.90	706.40	0.00
Hold 60° INC	5814.21	60.00	269.69	5618.82	-357.98	381.18	388.09	9.00
Build 9°/100' to Landing	5874.21	60.00	269.69	5648.82	-306.19	380.90	336.13	0.00
Landing Point, Hold to TD	6219.32	91.06	269.68	5734.00	22.79	379.10	6.05	9.00
Chaco 2307-17H #275H BHL	10963.62	91.06	269.69	5648.00	4650.85	353.68	-4637.38	0.00



Chaco 2307-17H #275H R0 mdv 20Mar14 Proposal Geodetic Report



(Def Plan)

Report Date: March 21, 2014 - 08:47 AM
Client: WPX Energy
Field: NM, Rio Arriba (NAD 27 CZ)
Structure / Slot: WPX Sec 17-23N-7W (Chaco #275H & #163H) / Chaco 2307-17H #275H
Well: Chaco 2307-17H #275H
Borehole: Original Hole
UWI / API#: Unknown / Unknown
Survey Name: Chaco 2307-17H #275H R0 mdv 20Mar14
Survey Date: March 20, 2014
Tort / AHD / DDI / ERD Ratio: 115.066 * / 6147.362 ft / 6.127 / 1.072
Coordinate Reference System: NAD27 New Mexico State Plane, Central Zone, US Feet
Location Lat / Long: N 36° 13' 45.84000", W 107° 35' 21.30000"
Location Grid N/E Y/X: N 1905440.184 RUS, E 105003.397 RUS
CRS Grid Convergence Angle: -0.7916 *
Grid Scale Factor: 1.00007854
Version / Patch: 2.7.1043.0
Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 274.361 * (True North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: RKB
TVD Reference Elevation: 7271.000 ft above MSL
Seabed / Ground Elevation: 7257.000 ft above MSL
Magnetic Declination: 9.469 *
Total Gravity Field Strength: 998.4661mgn (9.80665 Based)
Gravity Model: GARM
Total Magnetic Field Strength: 50120.498 nT
Magnetic Dip Angle: 62.997 *
Declination Date: March 20, 2014
Magnetic Declination Model: BGGM 2013
North Reference: True North
Grid Convergence Used: 0.0000 *
Total Corr Mag North->True North: 9.4890 *
Local Coord Referenced To: Well Head

Comments	MD (ft)	Incl (°)	Azim True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")	
Surface	0.00	0.00	61.54	0.00	0.00	0.00	0.00	N/A	1905440.18	105003.40	N 36 13 45.84	W 107 35 21.30	
	100.00	0.00	61.54	100.00	0.00	0.00	0.00	0.00	1905440.18	105003.40	N 36 13 45.84	W 107 35 21.30	
	200.00	0.00	61.54	200.00	0.00	0.00	0.00	0.00	1905440.18	105003.40	N 36 13 45.84	W 107 35 21.30	
	300.00	0.00	61.54	300.00	0.00	0.00	0.00	0.00	1905440.18	105003.40	N 36 13 45.84	W 107 35 21.30	
	400.00	0.00	61.54	400.00	0.00	0.00	0.00	0.00	1905440.18	105003.40	N 36 13 45.84	W 107 35 21.30	
	500.00	0.00	61.54	500.00	0.00	0.00	0.00	0.00	1905440.18	105003.40	N 36 13 45.84	W 107 35 21.30	
Build 2"/100'	550.00	0.00	61.54	550.00	0.00	0.00	0.00	0.00	1905440.18	105003.40	N 36 13 45.84	W 107 35 21.30	
	600.00	1.00	61.54	600.00	-0.37	0.21	0.38	2.00	1905440.39	105003.78	N 36 13 45.84	W 107 35 21.30	
	700.00	3.00	61.54	699.93	-3.30	1.87	3.45	2.00	1905442.01	105006.87	N 36 13 45.86	W 107 35 21.26	
	800.00	5.00	61.54	799.68	-9.16	5.19	9.58	2.00	1905445.25	105013.05	N 36 13 45.89	W 107 35 21.18	
	900.00	7.00	61.54	899.13	-17.94	10.18	18.77	2.00	1905450.10	105022.31	N 36 13 45.94	W 107 35 21.07	
	1000.00	9.00	61.54	998.15	-29.64	16.81	31.01	2.00	1905456.56	105034.64	N 36 13 46.01	W 107 35 20.92	
	1100.00	11.00	61.54	1096.83	-44.23	25.08	46.27	2.00	1905464.63	105050.02	N 36 13 46.09	W 107 35 20.74	
	1150.07	12.00	61.54	1145.69	-52.62	29.84	55.05	2.00	1905469.26	105058.86	N 36 13 46.14	W 107 35 20.63	
	1200.00	12.00	61.54	1194.53	-61.35	34.79	64.18	0.00	1905474.08	105068.05	N 36 13 46.18	W 107 35 20.52	
	1300.00	12.00	61.54	1292.34	-78.82	44.70	82.46	0.00	1905483.74	105086.47	N 36 13 46.28	W 107 35 20.29	
Hold 12" INC	1400.00	12.00	61.54	1390.16	-96.29	54.80	100.74	0.00	1905493.40	105104.89	N 36 13 46.38	W 107 35 20.07	
	1500.00	12.00	61.54	1487.97	-113.77	64.51	119.02	0.00	1905503.05	105123.31	N 36 13 46.48	W 107 35 19.85	
	1600.00	12.00	61.54	1585.79	-131.24	74.42	137.30	0.00	1905512.71	105141.72	N 36 13 46.58	W 107 35 19.62	
	1700.00	12.00	61.54	1683.60	-148.72	84.33	155.58	0.00	1905522.36	105160.14	N 36 13 46.67	W 107 35 19.40	
	1800.00	12.00	61.54	1781.42	-166.19	94.24	173.86	0.00	1905532.02	105178.56	N 36 13 46.77	W 107 35 19.18	
	1900.00	12.00	61.54	1879.23	-183.67	104.15	192.14	0.00	1905541.68	105196.97	N 36 13 46.87	W 107 35 18.95	
	2000.00	12.00	61.54	1977.04	-201.14	114.06	210.42	0.00	1905551.33	105215.39	N 36 13 46.97	W 107 35 18.73	
	2100.00	12.00	61.54	2074.86	-218.61	123.97	228.70	0.00	1905560.99	105233.81	N 36 13 47.07	W 107 35 18.51	
	2200.00	12.00	61.54	2172.67	-236.09	133.88	246.98	0.00	1905570.65	105252.23	N 36 13 47.16	W 107 35 18.29	
	2300.00	12.00	61.54	2270.49	-253.56	143.79	265.27	0.00	1905580.30	105270.64	N 36 13 47.26	W 107 35 18.06	
	2400.00	12.00	61.54	2368.30	-271.04	153.69	283.55	0.00	1905589.96	105289.06	N 36 13 47.36	W 107 35 17.84	
	2500.00	12.00	61.54	2466.12	-288.51	163.60	301.83	0.00	1905599.61	105307.48	N 36 13 47.46	W 107 35 17.62	
	2600.00	12.00	61.54	2563.93	-305.99	173.51	320.11	0.00	1905609.27	105325.89	N 36 13 47.56	W 107 35 17.39	
	2700.00	12.00	61.54	2661.74	-323.46	183.42	338.39	0.00	1905618.93	105344.31	N 36 13 47.65	W 107 35 17.17	
	2800.00	12.00	61.54	2759.56	-340.93	193.33	356.67	0.00	1905628.58	105362.73	N 36 13 47.75	W 107 35 16.95	
	2900.00	12.00	61.54	2857.37	-358.41	203.24	374.95	0.00	1905638.24	105381.15	N 36 13 47.85	W 107 35 16.72	
	3000.00	12.00	61.54	2955.19	-375.88	213.15	393.23	0.00	1905647.89	105399.56	N 36 13 47.95	W 107 35 16.50	
	3100.00	12.00	61.54	3053.00	-393.36	223.06	411.51	0.00	1905657.55	105417.98	N 36 13 48.05	W 107 35 16.28	
	3200.00	12.00	61.54	3150.82	-410.83	232.97	429.79	0.00	1905667.21	105436.40	N 36 13 48.14	W 107 35 16.05	
	3300.00	12.00	61.54	3248.63	-428.30	242.87	448.07	0.00	1905676.86	105454.82	N 36 13 48.24	W 107 35 15.83	
	3400.00	12.00	61.54	3346.44	-445.78	252.78	466.35	0.00	1905686.52	105473.23	N 36 13 48.34	W 107 35 15.61	
	3500.00	12.00	61.54	3444.26	-463.25	262.69	484.63	0.00	1905696.18	105491.65	N 36 13 48.44	W 107 35 15.38	
	3600.00	12.00	61.54	3542.07	-480.73	272.60	502.91	0.00	1905705.83	105510.07	N 36 13 48.54	W 107 35 15.16	
	3700.00	12.00	61.54	3639.89	-498.20	282.51	521.19	0.00	1905715.49	105528.48	N 36 13 48.63	W 107 35 14.94	
	3800.00	12.00	61.54	3737.70	-515.68	292.42	539.48	0.00	1905725.14	105546.90	N 36 13 48.73	W 107 35 14.72	
	3900.00	12.00	61.54	3835.52	-533.15	302.33	557.76	0.00	1905734.80	105565.32	N 36 13 48.83	W 107 35 14.49	
	4000.00	12.00	61.54	3933.33	-550.62	312.24	576.04	0.00	1905744.46	105583.74	N 36 13 48.93	W 107 35 14.27	
	4100.00	12.00	61.54	4031.14	-568.10	322.15	594.32	0.00	1905754.11	105602.15	N 36 13 49.03	W 107 35 14.05	
	4200.00	12.00	61.54	4128.96	-585.57	332.06	612.60	0.00	1905763.77	105620.57	N 36 13 49.12	W 107 35 13.82	
	4300.00	12.00	61.54	4226.77	-603.05	341.96	630.88	0.00	1905773.42	105638.99	N 36 13 49.22	W 107 35 13.60	
	4400.00	12.00	61.54	4324.59	-620.52	351.87	649.16	0.00	1905783.08	105657.41	N 36 13 49.32	W 107 35 13.38	
	Drop 2"/100'	4411.98	12.00	61.54	4336.31	-622.61	353.06	651.35	0.00	1905784.24	105659.61	N 36 13 49.33	W 107 35 13.35
		4500.00	10.24	61.54	4422.67	-636.88	361.15	666.27	2.00	1905792.12	105674.65	N 36 13 49.41	W 107 35 13.17
		4600.00	8.24	61.54	4521.37	-650.38	368.80	680.39	2.00	1905799.58	105688.87	N 36 13 49.49	W 107 35 13.00
		4700.00	6.24	61.54	4620.56	-660.97	374.81	691.47	2.00	1905805.43	105700.04	N 36 13 49.55	W 107 35 12.86
		4800.00	4.24	61.54	4720.14	-668.64	379.16	699.50	2.00	1905809.67	105708.13	N 36 13 49.59	W 107 35 12.78
		4900.00	2.24	61.54	4819.97	-673.39	381.86	704.47	2.00	1905812.30	105713.13	N 36 13 49.62	W 107 35 12.70
		5000.00	0.24	61.54	4919.95	-675.21	382.89	706.38	2.00	1905813.30	105715.05	N 36 13 49.63	W 107 35 12.68
		5012.05	0.00	61.54	4932.00	-675.24	382.90	706.40	2.00	1905813.32	105715.07	N 36 13 49.63	W 107 35 12.68
		5100.00	0.00	61.54	5019.95	-675.24	382.90	706.40	0.00	1905813.32	105715.07	N 36 13 49.63	W 107 35 12.68
		5147.54	0.00	61.54	5067.49	-675.24	382.90	706.40	0.00	1905813.32	105715.07	N 36 13 49.63	W 107 35 12.68
	Build 9"/100'	5200.00	4.72	269.69	5119.89	-673.08	382.89	704.24	9.00	1905813.33	105712.91	N 36 13 49.63	W 107 35 12.70
		5300.00	13.72	269.69	5218.49	-657.13	382.80	688.23	9.00	1905813.47	105696.91	N 36 13 49.63	W 107 35 12.90
		5400.00	22.72	269.69	5313.38	-626.00	382.63	657.00	9.00	1905813.73	105665.67	N 36 13 49.62	W 107 35 13.28
		5500.00	31.72	269.69	5402.21	-580.45	382.39	611.30	9.00	1905814.12	105619.97	N 36 13 49.62	W 107 35 13.84
		5600.00	40.72	269.69	5482.81	-521.62	382.07	552.27	9.00	1905814.61	105560.94	N 36 13 49.62	W 107 35 14.56
		5700.00	49.72	269.69	5553.17	-450.94	381.68	481.36	9.00	1905815.21	105490.03	N 36 13 49.61	W 107 35 15.42
		5800.00	58.72	269.69	5611.58	-370.17	381.24	400.32	9.00	1905815.89	105408.98	N 36 13 49.61	W 107 35 16.41
		5814.21	60.00	269.69	5618.82	-357.98	381.18	388.09	9.00	1905815.99	105396.75	N 36 13 49.61	W 107 35 16.56
		Hold 60" INC Build 9"/100' to Landing	5874.21	60.00	269.69	5648.82	-306.19	380.90	336.13	0.00	1905816.43	105344.79	N 36 13 49.61
5900.00			62.32	269.69	5661.26	-283.68	380.77	313.54	9.00	1905816.62	105322.20	N 36 13 49.61	W 107 35 17.47
6000.00	71.32		269.69	5700.58	-192.15	380.28	221.71	9.00	1905817.39	105230.36	N 36 13 49.60	W 107 35 18.59	
6100.00	80.32		269.69	5725.05	-95.62	379.75	124.86	9.00	1905818.20	105133.50	N 36 13 49.60	W 107 35 19.78	
6200.00	89.32		269.69	5734.07	3.54	379.20	25.37	9.00	1905819.03	105034.01	N 36 13 49.59	W 107 35 20.99	
Landing Point, Hold to TD	6219.32	91.06	269.69	5734.00	22.79	379.10	6.05	9.00	1905819.19	105014.69	N 36 13 49.59	W 107 35	

Comments	MD (ft)	Incl (°)	Azim True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS ("/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
	6700.00	91.06	269.69	5725.11	501.79	378.45	-474.54	0.00	1905823.19	104534.07	N 36 13 49.56	W 107 35 27.09
	6800.00	91.06	269.69	5723.26	801.44	375.91	-574.52	0.00	1905824.02	104434.08	N 36 13 49.56	W 107 35 28.31
	6900.00	91.06	269.69	5721.41	701.09	375.36	-674.50	0.00	1905824.85	104334.10	N 36 13 49.55	W 107 35 29.53
	7000.00	91.06	269.69	5719.56	800.74	374.81	-774.48	0.00	1905825.69	104234.11	N 36 13 49.55	W 107 35 30.75
	7100.00	91.06	269.69	5717.71	900.39	374.26	-874.46	0.00	1905826.52	104134.12	N 36 13 49.54	W 107 35 31.97
	7200.00	91.06	269.69	5715.86	1000.04	373.71	-974.44	0.00	1905827.35	104034.13	N 36 13 49.54	W 107 35 33.19
	7300.00	91.06	269.69	5714.00	1099.69	373.16	-1074.43	0.00	1905828.18	103934.15	N 36 13 49.53	W 107 35 34.41
	7400.00	91.06	269.69	5712.15	1199.34	372.61	-1174.41	0.00	1905829.02	103834.16	N 36 13 49.52	W 107 35 35.63
	7500.00	91.06	269.69	5710.30	1298.99	372.06	-1274.39	0.00	1905829.85	103734.17	N 36 13 49.52	W 107 35 36.85
	7600.00	91.06	269.69	5708.45	1398.64	371.52	-1374.37	0.00	1905830.68	103634.19	N 36 13 49.51	W 107 35 38.07
	7700.00	91.06	269.69	5706.60	1498.29	370.97	-1474.35	0.00	1905831.52	103534.20	N 36 13 49.51	W 107 35 39.29
	7800.00	91.06	269.69	5704.75	1597.94	370.42	-1574.33	0.00	1905832.35	103434.21	N 36 13 49.50	W 107 35 40.51
	7900.00	91.06	269.69	5702.90	1697.59	369.87	-1674.31	0.00	1905833.18	103334.23	N 36 13 49.50	W 107 35 41.74
	8000.00	91.06	269.69	5701.05	1797.24	369.32	-1774.29	0.00	1905834.02	103234.24	N 36 13 49.49	W 107 35 42.96
	8100.00	91.06	269.69	5699.20	1896.89	368.78	-1874.28	0.00	1905834.85	103134.25	N 36 13 49.49	W 107 35 44.18
	8200.00	91.06	269.69	5697.34	1996.54	368.23	-1974.26	0.00	1905835.68	103034.26	N 36 13 49.48	W 107 35 45.40
	8300.00	91.06	269.69	5695.49	2096.19	367.68	-2074.24	0.00	1905836.52	102934.28	N 36 13 49.48	W 107 35 46.62
	8400.00	91.06	269.69	5693.64	2195.84	367.13	-2174.22	0.00	1905837.35	102834.29	N 36 13 49.47	W 107 35 47.84
	8500.00	91.06	269.69	5691.79	2295.49	366.59	-2274.20	0.00	1905838.19	102734.30	N 36 13 49.46	W 107 35 49.06
	8600.00	91.06	269.69	5689.94	2395.14	366.04	-2374.18	0.00	1905839.02	102634.32	N 36 13 49.46	W 107 35 50.28
	8700.00	91.06	269.69	5688.09	2494.79	365.49	-2474.16	0.00	1905839.85	102534.33	N 36 13 49.45	W 107 35 51.50
	8800.00	91.06	269.69	5686.23	2594.44	364.95	-2574.15	0.00	1905840.69	102434.34	N 36 13 49.45	W 107 35 52.72
	8900.00	91.06	269.69	5684.38	2694.09	364.40	-2674.13	0.00	1905841.52	102334.35	N 36 13 49.44	W 107 35 53.94
	9000.00	91.06	269.69	5682.53	2793.74	363.85	-2774.11	0.00	1905842.36	102234.37	N 36 13 49.44	W 107 35 55.16
	9100.00	91.06	269.69	5680.68	2893.40	363.31	-2874.09	0.00	1905843.19	102134.38	N 36 13 49.43	W 107 35 56.38
	9200.00	91.06	269.69	5678.83	2993.05	362.76	-2974.07	0.00	1905844.03	102034.39	N 36 13 49.43	W 107 35 57.60
	9300.00	91.06	269.69	5676.97	3092.70	362.21	-3074.05	0.00	1905844.86	101934.41	N 36 13 49.42	W 107 35 58.82
	9400.00	91.06	269.69	5675.12	3192.35	361.67	-3174.03	0.00	1905845.70	101834.42	N 36 13 49.41	W 107 36 0.04
	9500.00	91.06	269.69	5673.27	3292.00	361.12	-3274.02	0.00	1905846.53	101734.43	N 36 13 49.41	W 107 36 1.26
	9600.00	91.06	269.69	5671.42	3391.65	360.57	-3374.00	0.00	1905847.37	101634.45	N 36 13 49.40	W 107 36 2.48
	9700.00	91.06	269.69	5669.56	3491.30	360.03	-3473.98	0.00	1905848.20	101534.46	N 36 13 49.40	W 107 36 3.70
	9800.00	91.06	269.69	5667.71	3590.95	359.48	-3573.96	0.00	1905849.04	101434.47	N 36 13 49.39	W 107 36 4.92
	9900.00	91.06	269.69	5665.86	3690.60	358.94	-3673.94	0.00	1905849.88	101334.48	N 36 13 49.39	W 107 36 6.14
	10000.00	91.06	269.69	5664.00	3790.25	358.39	-3773.92	0.00	1905850.71	101234.50	N 36 13 49.38	W 107 36 7.36
	10100.00	91.06	269.69	5662.15	3889.90	357.84	-3873.90	0.00	1905851.55	101134.51	N 36 13 49.38	W 107 36 8.58
	10200.00	91.06	269.69	5660.30	3989.55	357.30	-3973.88	0.00	1905852.38	101034.52	N 36 13 49.37	W 107 36 9.80
	10300.00	91.06	269.69	5658.45	4089.20	356.75	-4073.87	0.00	1905853.22	100934.54	N 36 13 49.37	W 107 36 11.02
	10400.00	91.06	269.69	5656.59	4188.85	356.21	-4173.85	0.00	1905854.06	100834.55	N 36 13 49.36	W 107 36 12.24
	10500.00	91.06	269.69	5654.74	4288.50	355.66	-4273.83	0.00	1905854.89	100734.56	N 36 13 49.35	W 107 36 13.46
	10600.00	91.06	269.69	5652.89	4388.15	355.12	-4373.81	0.00	1905855.73	100634.58	N 36 13 49.35	W 107 36 14.68
	10700.00	91.06	269.69	5651.03	4487.80	354.57	-4473.79	0.00	1905856.56	100534.59	N 36 13 49.34	W 107 36 15.90
	10800.00	91.06	269.69	5649.18	4587.45	354.03	-4573.77	0.00	1905857.40	100434.60	N 36 13 49.34	W 107 36 17.12

Chaco 2307-17H 10863.62 91.06 269.69 5648.00 4650.85 353.88 -4637.38 0.00 1905857.93 100370.99 N 36 13 49.33 W 107 36 17.90
#275H BHL

Survey Type: Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	1	0.000	14.000	1/100.000	30.000	30.000	SLB_MWD-STD-Depth Only	Original Hole / Chaco 2307-17H #275H R0 mdv 20Mar14
	1	14.000	10863.621	1/100.000	30.000	30.000	SLB_MWD-STD	Original Hole / Chaco 2307-17H #275H R0 mdv 20Mar14

1. INTRODUCTION

WPX Energy Production, LLC (WPX), is providing this Surface Use Plan of Operations (SUPO) to the Bureau of Land Management – Farmington Field Office (BLM-FFO) as part of their Chaco 2307-17H Nos. 163H and 275H (163H/275H) Applications for Permit to Drill (APDs). This SUPO is provided per Onshore Oil and Gas Order No. 1.

A SUPO was originally developed for the Chaco 2307-17H No. 163H (163H) project in February 2014. Since the 163H SUPO was submitted to the BLM-FFO, the Chaco 2307-17H No. 275H (275H) well has been added to the project. This 163H/275H SUPO will serve as a revision to the 163H SUPO.

The 163H and 275H wells will each be permitted under an approved APD. The associated well pad, access road, and well-connect pipeline corridor, which will be located on-lease, will also be permitted under the approved APDs. Up to three potential staging areas, all of which will be located on previously disturbed well pads, may be used during the construction, drilling, and completion phases of the project. One staging area will be authorized by an agreement with another oil and gas operator. The other two staging areas, which will be located on WPX well pads, will only be used if the well pads are constructed prior to the commencement of the 163H/275H project.

The 163H and 275H wells will drill to BLM-managed minerals. All surface features associated with the project will be on surface managed by the BLM-FFO.

A pre-disturbance onsite meeting was held for the 163H project on January 29, 2013. The BLM, WPX, and an environmental consultant (Nelson Consulting, Inc.) attended the meeting. Because no changes to project features are associated with the addition of the 275H well to the project, a second onsite meeting was deemed unnecessary by the BLM-FFO.

In addition to the best management practices (BMPs) provided below and in the Surface Reclamation Plan (Reclamation Plan; Appendix A), the general Conditions of Approval will be followed, if any are attached to the approved APDs.

2. PROJECT LOCATION AND DESCRIPTION

2.1. Project Location

The project area is located in Rio Arriba County, New Mexico. The project area is located approximately 40 miles south-southeast of the town of Bloomfield, New Mexico. To access the project area from Bloomfield, head south on U.S. Highway 550 from the U.S. Highway 550-U.S. Highway 64 intersection for approximately 49 miles, turn right onto an existing access road for less than 0.1 mile, and then turn right onto another existing access road for less than 0.5 mile. The 163H/275H access road begins on the left (southern) side of the road. The access route from U.S. Highway 550 is depicted on Figure B.1 (Appendix B) and on the construction plats provided in the APD packages.

The legal location of the project area is described in the table below (New Mexico Principal Meridian [NMPM]).

5. LOCATION OF EXISTING WELLS

There are no recorded water wells within an approximately 1-mile radius of the well pad.

Water wells and oil and gas wells (plugged and abandoned, active, and proposed) within a 1-mile radius of the well pad are depicted on Figure B.2 (Appendix B).

6. LOCATION OF PRODUCTION FACILITIES

After the drilling and completion phases of the wells, production facilities will be located within a 300-by-100-foot facility area at the southern end of the well pad (see Figure B.5, Appendix B).

All production equipment will comply with Visual Resource Management requirements. Within 90 days of installation, above-ground structures not subject to safety requirements will be painted Juniper Green to blend with vegetation and reduce visual resource impacts.

7. WATER SUPPLY

The wells will be horizontally drilled, and completion will include well stimulation (hydraulic fracturing). Water for drilling and completion operations will be purchased from San Juan Basin Water Haulers Association, who will obtain water from the Blanco Trading Post well (WR711).

The water hauler(s) will access the project area via the roads described in Sections 2 (Project Location and Description) and 3 (New or Reconstructed Access Roads).

8. CONSTRUCTION

Excavated materials from the cuts will be used on the fill portions of the location to level the well pad. Approximately 17 feet of cut and 17 feet of fill will be needed to create a level well pad. No additional materials will be required for construction of the well pad.

Construction plats are provided in the APD packages.

Work will be confined to areas of existing disturbance and the project areas described in Section 2 (Project Location and Description).

Maintenance activities will cease when soil or road surfaces become saturated to the extent that construction equipment is unable to stay within the project area and/or when activities cause irreparable harm to roads, soils, or streams.

9. METHODS FOR HANDLING WASTE DISPOSAL

- ✓ Drilling operations will utilize a closed-loop system. Drilling of the horizontal lateral will be accomplished with water-based mud. All cuttings will be hauled to a commercial disposal facility or land farm. WPX will follow New Mexico Oil Conservation Division "Pit Rule" guidelines and Onshore Order No. 1 regarding the placement, operation, and removal of closed-loop systems. No blow pit will be used.

As stated in the Reclamation Plan (Appendix A), if drilling has not been initiated on the well pad within 120 days of the well pad being constructed, WPX will submit a site-stabilization plan to the BLM-FFO.

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. Portable toilets will be provided and maintained during

