

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
Revised June 6, 2013

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

12199
Amended
45-35496
45-35498

Pit, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

- Type of action: Below grade tank registration
 Permit of a pit or proposed alternative method
 Closure of a pit, below-grade tank, or proposed alternative method
 Modification to an existing permit/or registration
 Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: WPX Energy Production, LLC OGRID #: 120782
Address: PO Box 640/721 S Main Aztec, NM 87410
Facility or well names: Chaco 2308-09A 145H & Chaco 2308-09A 146H
API Numbers: 30-045-35496 & 30-045-35498 OCD Permit Number: _____
U/L or Qtr/Qtr A Section 09 Township 23N Range 8W County: San Juan
Center of Proposed Design: Latitude 36.24612 Longitude -107.67884 NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

PCUD SEP 18 '14
OIL CONS. DIV.
DIST. 3

2.
 Pit: Subsection F, G or J of 19.15.17.11 NMAC
Temporary: Drilling Completion Workover
 Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no
 Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: 28.853 bbl Dimensions: L 45' x W 300 x D 12'

3.
 Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Visible sidewalls and liner Visible sidewalls only Other _____
Liner type: Thickness _____ mil HDPE PVC Other _____

4.
 Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)
 Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)
 Four foot height, four strands of barbed wire evenly spaced between one and four feet
 Alternate. Please specify As per BLM specifications

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6. **Netting:** Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)
 Screen Netting Other _____
 Monthly inspections (If netting or screening is not physically feasible)

7. **Signs:** Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.16.8 NMAC

8. **Variations and Exceptions:**
 Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.
Please check a box if one or more of the following is requested, if not leave blank:
 Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.
 Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9. **Siting Criteria (regarding permitting):** 19.15.17.10 NMAC
Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.

| <u>General siting</u> | |
|---|--|
| Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - <input type="checkbox"/> NM Office of the State Engineer - iWATERS database search; <input type="checkbox"/> USGS; <input checked="" type="checkbox"/> Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Does not apply to below grade tanks) - Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within the area overlying a subsurface mine. (Does not apply to below grade tanks) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within an unstable area. (Does not apply to below grade tanks) - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <u>Below Grade Tanks</u> | |
| Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <u>Temporary Pit using Low Chloride Drilling Fluid</u> (maximum chloride content 15,000 mg/liter) | |
| Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Within 100 feet of a wetland.
 - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Yes No

Temporary Pit Non-low chloride drilling fluid

Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).
 - Topographic map; Visual inspection (certification) of the proposed site Yes No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
 - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Yes No

Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application;
 - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site Yes No

Within 300 feet of a wetland.
 - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Yes No

Permanent Pit or Multi-Well Fluid Management Pit

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).
 - Topographic map; Visual inspection (certification) of the proposed site Yes No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
 - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Yes No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.
 - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site Yes No

Within 500 feet of a wetland.
 - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Yes No

10. **Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: 11473

11. **Multi-Well Fluid Management Pit Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- A List of wells with approved application for permit to drill associated with the pit.
- Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12. **Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Climatological Factors Assessment
- Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- Quality Control/Quality Assurance Construction and Installation Plan
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- Emergency Response Plan
- Oil Field Waste Stream Characterization
- Monitoring and Inspection Plan
- Erosion Control Plan
- Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13. **Proposed Closure:** 19.15.17.13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: Drilling Completion Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Multi-well Fluid Management Pit
- Alternative
- Proposed Closure Method: Waste Excavation and Removal
 Waste Removal (Closed-loop systems only)
 On-site Closure Method (Only for temporary pits and closed-loop systems)
 In-place Burial On-site Trench Burial
 Alternative Closure Method

14. **Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15. **Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

- | | |
|---|--|
| Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

Yes No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

Yes No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

Yes No

Within a 100-year floodplain.

- FEMA map

Yes No

16. **On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17. **Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly Approval Date: 10/27/2014
Title: Compliance Officer OCD Permit Number: _____

19. **Closure Report (required within 60 days of closure completion):** 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: 9/17/2014

20. **Closure Method:**

- Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)
- If different from approved plan, please explain.

21. **Closure Report Attachment Checklist:** *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- Proof of Closure Notice (surface owner and division)
- Proof of Deed Notice (required for on-site closure for private land only)
- Plot Plan (for on-site closures and temporary pits)
- Confirmation Sampling Analytical Results (if applicable)
- Waste Material Sampling Analytical Results (required for on-site closure)
- Disposal Facility Name and Permit Number
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique
- Site Reclamation (Photo Documentation)

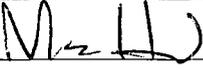
On-site Closure Location: Latitude 36.24612N Longitude -107.67884 NAD: 1927 1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Mark Heil Title: Regulatory Specialist

Signature:  Date: 9/17/2014

e-mail address: mark.heil@wpenergy.com Telephone: 505-333-1806

WPX Energy Production, LLC
San Juan Basin: New Mexico Assets
Temporary Pit In-place Closure Report
Drilling/Completion and Workover
(Groundwater between 50 and 100 feet bgs)

Well: Chaco 2308-09A #145H & Chaco 2308-09A #146H
API No: 30-045-35496 & 30-045-35498
Location: A-S09-T23N-R08W, NMPM

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general in-place closure requirements of temporary pits on WPX Energy Production, LLC (WPX) locations in the San Juan Basin of New Mexico. This is WPX's standard procedure for all temporary pits to be utilized for the drilling, completion and/or workovers of oil and gas wells operated by WPX. For those temporary pits which do not conform to this standard closure plan, a separate well/pit specific closure plan will be developed and utilized.

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the pit closure on a Closure Report using Division Form C-144. The Report will include the following:

- Details on Capping and Covering, where applicable
- Plot Plan (Pit Diagram)
- Inspection reports
- Sampling Results
- Division Form C-105: WELL COMPLETION OR RECOMPLETION REPORT AND LOG
- Copy of Deed Notice filed with the County Clerk (format to meet County requirements)
A deed notice is not required on state, federal or tribal land according to NMOCD FAQ dated October 30, 2008 and posted on the NMOCD website.

General Plan Requirements:

1. All free standing liquids will be removed from the pit at the start of the closure process. Liquids will be removed in a manner that the appropriate District Office approves including; recycled, reused, reclaimed, evaporated, and/or disposed of in a Division-approved facility. Once all free liquids are removed, the sludge will be stabilized by one of the following methods depending on equipment availability: blending with clean stockpiled soils or dewatering using a Bowl-Deccanter Centrifuge then blending with clean stockpiles soils.

Free liquids were not present at the reserve pit following the completion rigoff. Therefore, no liquids were hauled.

2. The preferred method of closure for all temporary pits will be on-site closure by in-place burial, provided all the criteria in 19.15:17.13.B are met.

On-site burial plan for this location was approved by the Aztec District Office on (12/4/2013). However, since the burial for the pit was not as originally permitted as indicated by the closure plan, a modification for variance for the closure plan was submitted and granted by NMOCD on 8/6/2014.

3. The surface owner shall be notified of WPX's proposed closure plan using a means that provides proof of notice (i.e. certified mail/return receipt requested)

WPX notified the SMA of its intent to use a temporary pit and onsite burial in the Surface Use Plan in the well APD. The SMA was notified by email see attached. No return receipt required per BLM: FFO/NMOCD MOU dated 5/4/2009.

4. Within six months of the "rig-off" status occurring WPX will ensure that the temporary pit is covered, recontoured and reseeded in progress.

Drill rig-off (2/20/2014). Completion Rig-off (3/18/2014) Pit covered (9/17/2014). Pit area along with unused portions of well pad to be interim reclaimed in accordance with Surface Management Agency requirements in APD-COAs and per BLM: FFO/NMOCD MOU dated 5/4/2009.

5. Notice of Closure will be given to the Aztec District office between 72 hours and one week of the scheduled closure via email or phone. The notification of closure will include the following:

- a. Operators Name (WPX)
- b. Well Name and API Number
- c. Location (USTR)

The Aztec District Office of NMOCD was notified by email using a format acceptable to the District. Copies of the notification from Abode Contractors on (3/12/2014) is attached.

6. The pit liner shall be removed above "mud level" after stabilization. Removal of the liner will consist of manually or mechanically cutting the liner at the mud level and removing all remaining liner. Care will be taken to remove "all" of the liner (i.e. anchored material). All excessive liner will be disposed of at a licensed disposal facility (probably San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426).

The liner to the temporary pit was removed above the "mud level" once stabilized. Removal of the liner consisted of manually cutting the liner and removing all remaining liner material above the "mud level" including the anchor material. All excessive liner was disposed of at the San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426.

7. Solidification of the remaining pit contents shall be achieved by mixing non-waste containing, earthen material. The solidification process will be accomplished use a combination of natural drying and mechanical mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed safe and stable. The mixing ratio shall not exceed 3 parts non-waste to 1 part pit contents.

There were no liquids to be removed at the pit. The pit contents were mixed with non-waste containing, earthen material in order to achieve appropriate solidification and a consistency that was deemed safe and stable. The solidification process was accomplished using a combination of natural drying, and mechanically mixing using a dozer and trackhoe. The mixing ration was approximately 2.5-3 parts native soil to 1 part pit contents. Solidification was completed (3/19/2014).

8. A five-point composite sample will be taken of the pit using sampling tools and all samples tested per 19.15.17.13(B)(1)(b) NMAC. In the event that the criteria are not met (See Table 1), all contents will be handled per 19.15.17.13(B)(1)(a) (i.e. dig and haul to a Division-approved facility). Approval to haul will be requested of the Aztec District office prior to initiation.

A five-point composite sampling was taken of the pit area using sampling tools and the sample was tested per 19.15.17.13(B)(1)(b) NMAC. Results are shown in Table 1 and lab reports are attached.

Table 1: Closure Criteria for Temporary Pits in Non-sensitive Areas with Groundwater >100 bgs.

| Components | Testing Methods | Limits (mg/Kg) | Pit (mg/Kg) |
|------------|-----------------------------------|----------------|-------------|
| Benzene | EPA SW-846 Method 8021B or 8260B | 0.2 | ND |
| BTEX | EPA SW-846 Method 8021B or 8260B | 50 | ND |
| TPH | EPA SW-846 Method 418.1 | 2,500 | 431 |
| GRO/DRO | EPA SW-846 Method 8015M (GRO/DRO) | 500 | ND/88.2 |
| Chlorides | EPA SW-846 Method 300.1 | 500 | 395 |

9. Upon completion of solidification and testing, the pit area will be backfilled with non-waste earthen material compacted to native conditions to enable effective revegetation for successful evapotranspiration. A minimum of four feet of cover including replacement of one foot of suitable material to establish vegetation, or the background thickness of topsoil, whichever is greater.

Upon completion of solidification and testing, the pit area was backfilled with non-waste earthen material compacted to native conditions. A minimum of four feet of cover to the extent practical was achieved and the cover included just over a foot of topsoil suitable to establish vegetation.

10. Following cover, the well pad will be prepared for an additional drilling rig to drill Chaco 2206-02P #227H. After all activity on the pad is complete, the site will be recontoured to meet the Surface Management Agency or surface owner requirements. Re-contouring will attempt to match fit, shape, line form, and texture of the surrounding geography. Re-shaping will include drainage control, prevent ponding, and minimize erosion. Natural drainages will be unimpeded and stormwater Best Management Practices (BMPs) will be used to aid in soil stabilization and protection surface water quality.

Following cover, WPX reestablished drainage and contours to approximately match previous topography meeting the Conditions of Approval in the APD and the direction offered by a BLM/USFS inspector. Cover was completed on (3/19/2014) and re-contouring was completed on (9/17/2014).

11. Notification will be sent to the Aztec District office when the reclaimed area is seeded.

WPX will comply with Surface Management Agency reseeding requirements in the COAs of the APD for the referenced well, per BLM:FFO/NMOCD MOU dated 5/4/09.

12. WPX shall seed the disturbed areas the first growing season after the pit is covered. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division-approved methods. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintained that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs. *Note: WPX assumes the seeding stipulations including mix and seeding methods specified by the Surface Management Agency (BLM, BOR, USFS, Tribal, etc.) or Land owner as part of a surface use agreement or APD are Division-approved methods unless notified by the Division of their unacceptability.*

WPX will comply with Surface Management Agency reseeding requirements in the COAs of the APD for the referenced well, per BLM:FFO/NMOCD MOU dated 5/4/09.

13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the on-site burial upon the abandonment of all wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a

threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the on site burial of the temporary pit. The plate will be easily removable and a four-foot tall riser will be threaded into the top of the collar marker and welded around the base with the operations information at the time of all wells on the pad abandoned. The information will include Operator Name, Lease Name, Well Name, and number, USTR, and an indicator that the marker is an onsite pit burial location.

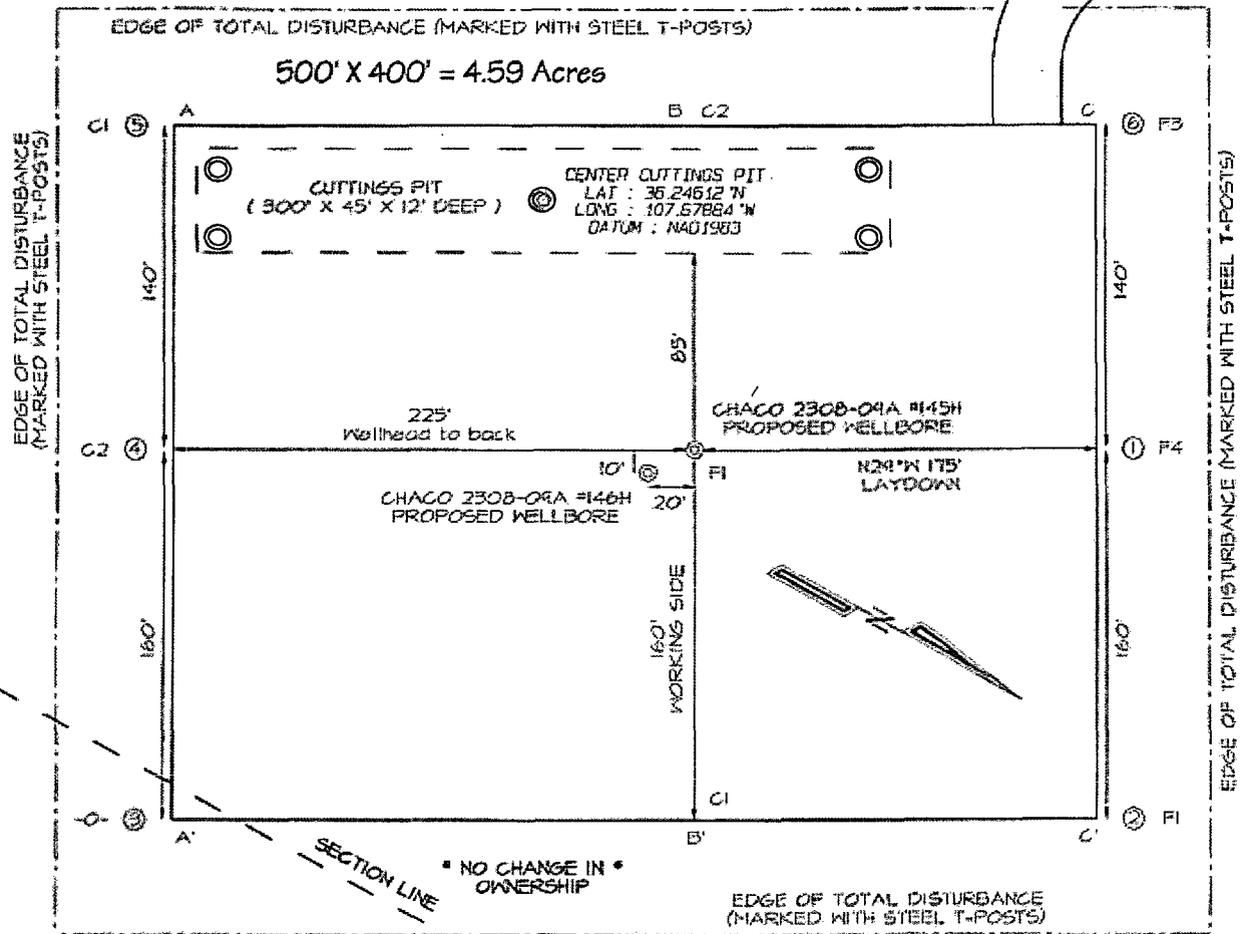
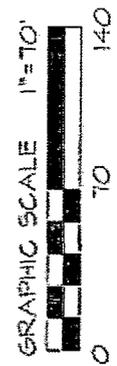
The temporary pit was located with a steel marker meeting the above listed specifications. The marker has the following information welded for future reference WPX ENERGY Chaco 2308-09A #145H & Chaco 2308-09A #146H S09L-T23N-R08W, "In-Place Burial" (photo attached). Steel marker set (9/17/2014).

WPX ENERGY PRODUCTION, LLC CHACO 2308-09A #145H
 917' FNL & 240' FEL, SECTION 9, T23N, R8W, NMPM
 SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6883'
 LAT: 36.24645°N LONG: 107.67867°W DATUM: NAD1983

ENGANA LYBROOK HO4-2308 OIH
 PROPOSED ACCESS ROAD

ACCESS
 1764' (0-8%)

~ SURFACE OWNER ~
 Bureau of Land Management



⊙ = Sample Location

Steel T-Posts have been set to define the Edge of Disturbance limits which are 50' offset from the edge of the staked wellpad.



Analytical Report

Report Summary

Client: WPX Energy, Inc.
Chain Of Custody Number: 16791
Samples Received: 3/31/2014 10:00:00AM
Job Number: 04108-0006
Work Order: P403110
Project Name/Location: Chaco 2308-9A
145H/146H

Entire Report Reviewed By:

Date: 4/4/14

Tim Cain, Laboratory Manager

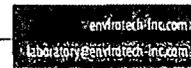
The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.

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Ph (970) 259-0615 Fx (800) 362-1879





| | | |
|--|--|------------------------------|
| WFX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145E/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

Analytical Report for Samples

| Client Sample ID | Lab Sample ID | Matrix | Sampled | Received | Container |
|------------------|---------------|--------|----------|----------|------------------|
| Cuttings Pit | P403110-01A | Soil | 03/18/14 | 03/31/14 | Glass Jar, 4 oz. |

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| | | |
|--|--|------------------------------|
| WPX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145H/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

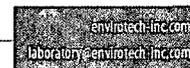
Cuttings Pit
P403110-01 (Solid)

| Analyte | Result | Reporting | | | Batch | Prepared | Analyzed | Method | Notes |
|---|--------|-----------|-------|----------|---------|----------|----------|-----------|-------|
| | | Limit | Units | Dilution | | | | | |
| <u>Volatle Organics by EPA 8021</u> | | | | | | | | | |
| Benzene | ND | 0.05 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| Toluene | ND | 0.05 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| Ethylbenzene | ND | 0.05 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| p,m-Xylene | ND | 0.05 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| o-Xylene | ND | 0.05 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| Total Xylenes | ND | 0.05 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| Total BTEX | ND | 0.05 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| Surrogate: Bromochlorobenzene | | 95.8 % | | 80-120 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| Surrogate: 1,3-Dichlorobenzene | | 82.6 % | | 80-120 | 1414003 | 03/31/14 | 03/31/14 | EPA 8021B | |
| <u>Nonhalogenated Organics by 8015</u> | | | | | | | | | |
| Gasoline Range Organics (C6-C10) | ND | 4.99 | mg/kg | 1 | 1414003 | 03/31/14 | 03/31/14 | EPA 8015D | |
| Diesel Range Organics (C10-C28) | 88.2 | 30.0 | mg/kg | 1 | 1414004 | 03/31/14 | 04/01/14 | EPA 8015D | |
| <u>Total Petroleum Hydrocarbons by 418.1</u> | | | | | | | | | |
| Total Petroleum Hydrocarbons | 431 | 19.9 | mg/kg | 1 | 1414026 | 04/02/14 | 04/02/14 | EPA 418.1 | |
| <u>Cation/Anion Analysis</u> | | | | | | | | | |
| Chloride | 395 | 9.87 | mg/kg | 1 | 1414028 | 04/03/14 | 04/03/14 | EPA 300.0 | |

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| | | |
|--|--|------------------------------|
| WPX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145E/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

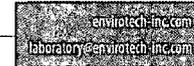
Volatile Organics by EPA 8021 - Quality Control
Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---|--------|-----------------|-------|-------------|---------------|------|-------------|-----|-----------|-------|
| Batch 1414003 - Purge and Trap EPA 5030A | | | | | | | | | | |
| Blank (1414003-BLK1) Prepared & Analyzed: 31-Mar-14 | | | | | | | | | | |
| Benzene | ND | 0.05 | mg/kg | | | | | | | |
| Toluene | ND | 0.05 | " | | | | | | | |
| Ethylbenzene | ND | 0.05 | " | | | | | | | |
| p,m-Xylene | ND | 0.05 | " | | | | | | | |
| o-Xylene | ND | 0.05 | " | | | | | | | |
| Total Xylenes | ND | 0.05 | " | | | | | | | |
| Total BTEX | ND | 0.05 | " | | | | | | | |
| Surrogate: 1,3-Dichlorobenzene | 45.6 | | ug/L | 50.0 | | 91.2 | 80-120 | | | |
| Surrogate: Bromochlorobenzene | 45.7 | | " | 50.0 | | 91.4 | 80-120 | | | |
| Duplicate (1414003-DUP1) Source: P403101-01 Prepared & Analyzed: 31-Mar-14 | | | | | | | | | | |
| Benzene | ND | 0.05 | mg/kg | | ND | | | | 30 | |
| Toluene | ND | 0.05 | " | | ND | | | | 30 | |
| Ethylbenzene | ND | 0.05 | " | | ND | | | | 30 | |
| p,m-Xylene | ND | 0.05 | " | | ND | | | | 30 | |
| o-Xylene | ND | 0.05 | " | | ND | | | | 30 | |
| Surrogate: 1,3-Dichlorobenzene | 47.6 | | ug/L | 50.0 | | 95.2 | 80-120 | | | |
| Surrogate: Bromochlorobenzene | 47.2 | | " | 50.0 | | 94.5 | 80-120 | | | |
| Matrix Spike (1414003-MS1) Source: P403101-01 Prepared & Analyzed: 31-Mar-14 | | | | | | | | | | |
| Benzene | 49.5 | | ug/L | 50.0 | ND | 99.0 | 39-150 | | | |
| Toluene | 50.4 | | " | 50.0 | ND | 101 | 46-148 | | | |
| Ethylbenzene | 49.8 | | " | 50.0 | ND | 99.7 | 32-160 | | | |
| p,m-Xylene | 101 | | " | 100 | ND | 101 | 46-148 | | | |
| o-Xylene | 50.3 | | " | 50.0 | ND | 101 | 46-148 | | | |
| Surrogate: 1,3-Dichlorobenzene | 51.4 | | " | 50.0 | | 103 | 80-120 | | | |
| Surrogate: Bromochlorobenzene | 51.7 | | " | 50.0 | | 103 | 80-120 | | | |

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| | | |
|--|--|------------------------------|
| WPX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145H/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC %REC | RPD Limits | RPD Limit | Notes |
|---|--------|-----------------|-------|-------------|---|-----------|------------|-----------|-------|
| Batch 1414003 - Purge and Trap EPA 5030A | | | | | | | | | |
| Blank (1414003-BLK1) | | | | | Prepared & Analyzed: 31-Mar-14 | | | | |
| Gasoline Range Organics (C6-C10) | ND | 5.00 | mg/kg | | | | | | |
| Duplicate (1414003-DUP1) | | | | | Source: P403101-01 Prepared & Analyzed: 31-Mar-14 | | | | |
| Gasoline Range Organics (C6-C10) | ND | 5.00 | mg/kg | | ND | | | 30 | |
| Matrix Spike (1414003-MS1) | | | | | Source: P403101-01 Prepared & Analyzed: 31-Mar-14 | | | | |
| Gasoline Range Organics (C6-C10) | 0.57 | | mg/L | 0.450 | ND | 126 | 75-125 | | SPK 1 |

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| | | |
|--|--|------------------------------|
| WPX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145H/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---|--------|-----------------|-------|--|---------------|---|-------------|-----|-----------|-------|
| Batch 1414004 - DRO Extraction EPA 3550C | | | | | | | | | | |
| Blank (1414004-BLK1) | | | | | | | | | | |
| | | | | Prepared: 31-Mar-14 Analyzed: 01-Apr-14 | | | | | | |
| Diesel Range Organics (C10-C28) | ND | 30.0 | mg/kg | | | | | | | |
| Duplicate (1414004-DUP1) | | | | | | | | | | |
| | | | | Source: P403101-01 | | Prepared: 31-Mar-14 Analyzed: 01-Apr-14 | | | | |
| Diesel Range Organics (C10-C28) | ND | 30.0 | mg/kg | | ND | | | | 30 | |
| Matrix Spike (1414004-MS1) | | | | | | | | | | |
| | | | | Source: P403101-01 Prepared: 31-Mar-14 Analyzed: 01-Apr-14 | | | | | | |
| Diesel Range Organics (C10-C28) | 254 | | mg/L | 250 | ND | 101 | 75-125 | | | |

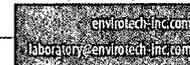
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| | | |
|--|--|------------------------------|
| WPX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145H/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

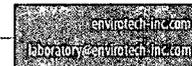
Total Petroleum Hydrocarbons by 418.1 - Quality Control
Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC Limits | RPD | RPD Limit | Notes |
|---|--------|-----------------|-------|-------------|---|-------------|--------|-----------|-------|
| Batch 1414026 - 418 Freon Extraction | | | | | | | | | |
| Blank (1414026-BLK1) | | | | | Prepared & Analyzed: 02-Apr-14 | | | | |
| Total Petroleum Hydrocarbons | ND | 20.0 | mg/kg | | | | | | |
| Duplicate (1414026-DUP1) | | | | | Prepared & Analyzed: 02-Apr-14 | | | | |
| Total Petroleum Hydrocarbons | 400 | 20.0 | mg/kg | 431 | | | 7.45 | 30 | |
| Matrix Spike (1414026-MS1) | | | | | Prepared & Analyzed: 02-Apr-14 | | | | |
| Total Petroleum Hydrocarbons | 2500 | 20.0 | mg/kg | 2000 | 431 | 104 | 80-120 | | |

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| | | |
|--|--|------------------------------|
| WPX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145H/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

Caflon/Anlon Analysis - Quality Control
Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|--|--------|-----------------|-------|-------------|---------------|------|-------------|------|-----------|-------|
| Batch 1414028 - Anlon Extraction EPA 300.0 | | | | | | | | | | |
| Blank (1414028-BLK1) Prepared & Analyzed: 03-Apr-14 | | | | | | | | | | |
| Chloride | ND | 9.86 | mg/kg | | | | | | | |
| LCS (1414028-BS1) Prepared & Analyzed: 03-Apr-14 | | | | | | | | | | |
| Chloride | 488 | 9.91 | mg/kg | 495 | 395 | 98.4 | 90-110 | | | |
| Matrix Spike (1414028-MS1) Source: P403110-01 Prepared & Analyzed: 03-Apr-14 | | | | | | | | | | |
| Chloride | 877 | 9.93 | mg/kg | 497 | 395 | 97.2 | 80-120 | | | |
| Matrix Spike Dup (1414028-MSD1) Source: P403110-01 Prepared & Analyzed: 03-Apr-14 | | | | | | | | | | |
| Chloride | 900 | 9.84 | mg/kg | 492 | 395 | 103 | 80-120 | 2.54 | 20 | |

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| | | |
|--|--|------------------------------|
| WPX Energy, Inc. PO Box 21218 Tulsa OK, 74121-1358 | Project Name: Chaco 2308-9A 145H/146H Project Number: 04108-0006 Project Manager: Buddy Shaw | Reported: 04-Apr-14 16:30 |
|--|--|------------------------------|

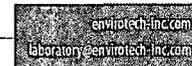
Notes and Definitions

- SPK1 The spike recovery for this QC sample is outside of control limits.
- DET Analyte DETECTED
- ND Analyte NOT DETECTED at or above the reporting limit
- NR Not Reported
- dry Sample results reported on a dry weight basis
- RPD Relative Percent Difference

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CHAIN OF CUSTODY RECORD

16791

| Client: WPX | | | Project Name / Location: Chaco 2308-9H 145H/146H | | | ANALYSIS / PARAMETERS | | | | | | | | | | | |
|---|----------------|----------------|--|--------------------------|--|-----------------------|--------------------|-------------------|---------------|----------------|-----|---------------|----------------|-------------|----------|---------------|---------------|
| Email results to: Buddy Shaw | | | Sampler Name: Bobby Lee | | | TPH (Method 8015) | BTEX (Method 8021) | VOC (Method 8260) | RCRA 8 Metals | Cation / Anion | FCl | TCLP with H/P | CO Table 910-1 | TPH (418.1) | CHLORIDE | Sample Cool | Sample Intact |
| Client Phone No.: | | | Client No.: 04108-0006 | | | | | | | | | | | | | | |
| Sample No. / Identification | Sample Date | Sample Time | Lab No. | No./Volume of Containers | Preservative | | | | | | | | | | | | |
| | | | | | HCl | HNO ₃ | | | | | | | | | | | |
| Cuttings Pit | 3/18/14 | 2:00 AM | P403116-01 | 1 | | | | | | | | | | | | | Y Y |
| Relinquished by: (Signature) <i>[Signature]</i> | | | Date | Time | Received by: (Signature) <i>[Signature]</i> | | | Date | Time | | | | | | | | |
| Relinquished by: (Signature) | | | | | Received by: (Signature) | | | | | | | | | | | | |
| Sample Matrix | | | | | | | | | | | | | | | | | |
| Soil <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Sludge <input type="checkbox"/> Aqueous <input type="checkbox"/> Other <input type="checkbox"/> | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Sample(s) dropped off after hours to secure drop off area. | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | 0.7°C | | | | | | | |
| 5795 US Highway 64 • Farmington, NM 87401 • 505-632-0615 • Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 • laboratory@envirotech-inc.com | | | | | | | | | | | | | | | | Page 10 of 10 | |

NOTE: The Chaco 2308-09A #145H & #146H pit is missing inspection records for the following periods of time:

2/21/2014 through 3/17/2014

|  | | TEMPORARY PIT INSPECTION REPORT | | | | | | |
|---|-----------------------------|---------------------------------|------------|-------------------|------------------------|--------------|---------------------------|-------------------------------------|
| Well Name | Chaco 2308-09A #145H & 146H | Field Name | | API # | 30-045-35496 | Report # | 1 | |
| Location | 9-23N-8W | County | San Juan | State | NM | Rpt Date | 2/3/2014 | |
| Date | Report Type | Liner Intact Y/N | Fenced Y/N | Slopes Intact Y/N | Adequate Freeboard Y/N | Oil Free Y/N | Flare Pit Liquid Free Y/N | Comment |
| 2/3/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/4/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/5/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/6/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/7/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/8/14 | Daily | Y | N | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/9/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/10/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/11/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/12/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/13/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/14/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/15/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/16/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/17/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/18/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/19/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/20/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |
| 2/21/14 | Daily | Y | Y | Y | Y | Y | Y | TEMPORARY PIT / NO LEAKS, NO SPILLS |

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WPX Energy Production
 San Juan Basin Operations
 720 So. Main / PO Box 640
 Aztec, NM 87410
 505-333-1806 / 505-333-1805 fax

Temporary Pit Inspection

FACILITY INFORMATION

| | |
|----------------------------|--------------------|
| Facility Name: CHACO #145H | API #:30-045-35496 |
|----------------------------|--------------------|

| | |
|--|--|
| Pit Type: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Cavitation | Inspection: <input type="checkbox"/> Daily (Rig) <input checked="" type="checkbox"/> Weekly (Tech) |
|--|--|

| | | |
|--|---|-----------------------|
| Pit Liner intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | Date / Time Reported: |
| Pit Properly Fenced | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required (if site fully fenced) If No, Report to EH&S immediately | |
| Pit Slopes intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | |
| Adequate freeboard | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable If No, Report to EH&S immediately | |
| Free oil or sheen present on pit | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, Report to EH&S immediately | |
| Flare Pit free of liquids | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable If No, Report to EH&S immediately | |
| Date liquids pulled (Liquids must be pulled within 30 days of rig off date) | <input type="checkbox"/> Drill Rig <input type="checkbox"/> Completion Rig Date Liquids Pulled: | |
| Comments: No Liquid in pit. No rig on location. | | |
| Inspector Signature: <i>Cody Boyd</i> | | |
| Printed Name: Cody Boyd | | |
| Title: Technician Rosa South | | |
| Date: 12/28/2013 | Phone: (505)386-8672 | |

Record Retention: Submit with Closure

WPX_NM_Temp_Pit_Inspection_Form(V2).doc
 Rev: April 24, 2012

WPX Energy Production
 San Juan Basin Operations
 720 So. Main / PO Box 640
 Aztec, NM 87410
 505-333-1806 / 505-333-1805 fax

Temporary Pit Inspection

FACILITY INFORMATION

| | |
|-----------------------------------|-----------------------------------|
| Facility Name: CHACO #145H, #146H | API #: 30-045-35496, 30-045-35498 |
|-----------------------------------|-----------------------------------|

| | |
|--|--|
| Pit Type: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Cavitation | Inspection: <input type="checkbox"/> Daily (Rig) <input checked="" type="checkbox"/> Weekly (Tech) |
|--|--|

| | | |
|--|---|-----------------------|
| Pit Liner intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | Date / Time Reported: |
| Pit Properly Fenced | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required (if site fully fenced) If No, Report to EH&S immediately | |
| Pit Slopes intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | |
| Adequate freeboard | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable If No, Report to EH&S immediately | |
| Free oil or sheen present on pit | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, Report to EH&S immediately | |
| Flare Pit free of liquids | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable If No, Report to EH&S immediately | |
| Date liquids pulled (Liquids must be pulled within 30 days of rig off date) | <input type="checkbox"/> Drill Rig <input type="checkbox"/> Completion Rig Date Liquids Pulled: | |
| Comments: No Liquid in pit. No rig on location. | | |
| Inspector Signature: <i>Cody Boyd</i> | | |
| Printed Name: Cody Boyd | | |
| Title: Technician Rosa South | | |
| Date: 1/4/2014 | Phone: (505)386-8672 | |

Record Retention: Submit with Closure

WPX_NM_Temp_Pit_Inspection_Form(V2).doc
 Rev: April 24, 2012

WPX Energy Production
 San Juan Basin Operations
 720 So. Main / PO Box 640
 Aztec, NM 87410
 505-333-1806 / 505-333-1805 fax

Temporary Pit Inspection

FACILITY INFORMATION

| | |
|-----------------------------------|-----------------------------------|
| Facility Name: CHACO #145H, #146H | API #: 30-045-35496, 30-045-35498 |
|-----------------------------------|-----------------------------------|

| | |
|--|--|
| Pit Type: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Cavitation | Inspection: <input type="checkbox"/> Daily (Rig) <input checked="" type="checkbox"/> Weekly (Tech) |
|--|--|

| | | |
|--|---|-----------------------|
| Pit Liner intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | Date / Time Reported: |
| Pit Properly Fenced | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required (if site fully fenced) If No, Report to EH&S immediately | |
| Pit Slopes intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | |
| Adequate freeboard | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable If No, Report to EH&S immediately | |
| Free oil or sheen present on pit | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, Report to EH&S immediately | |
| Flare Pit free of liquids | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable If No, Report to EH&S immediately | |
| Date liquids pulled (Liquids must be pulled within 30 days of rig off date) | <input type="checkbox"/> Drill Rig <input type="checkbox"/> Completion Rig Date Liquids Pulled: | |
| Comments: No Liquid in pit, No rig on location. | | |
| Inspector Signature: <i>Cody Boyd</i> | | |
| Printed Name: Cody Boyd | | |
| Title: Technician Rosa South | | |
| Date: 1/9/2014 | Phone: (505)386-8672 | |

Record Retention: Submit with Closure

WPX_NM_Temp_Pit_Inspection_Form(V2).doc
 Rev: April 24, 2012

WPX Energy Production
 San Juan Basin Operations
 720 So. Main / PO Box 640
 Aztec, NM 87410
 505-333-1806 / 505-333-1805 fax

Temporary Pit Inspection

FACILITY INFORMATION

| | |
|-----------------------------------|-----------------------------------|
| Facility Name: CHACO #145H, #146H | API #: 30-045-35496, 30-045-35498 |
|-----------------------------------|-----------------------------------|

| | |
|--|--|
| Pit Type: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Cavitation | Inspection: <input type="checkbox"/> Daily (Rig) <input checked="" type="checkbox"/> Weekly (Tech) |
|--|--|

| | | |
|---|---|-----------------------|
| Pit Liner intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | Date / Time Reported: |
| Pit Properly Fenced | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required (if site fully fenced) If No, Report to EH&S immediately | |
| Pit Slopes intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | |
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| Flare Pit free of liquids | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable If No, Report to EH&S immediately | |
| Date liquids pulled (Liquids must be pulled within 30 days of rig off date) | <input type="checkbox"/> Drill Rig <input type="checkbox"/> Completion Rig Date Liquids Pulled: | |
| Comments: No Liquid in pit. No rig on location. There is a small tear in the liner in the pit from dried cement being put in the pit. Eh&S and construction were notified to get this repaired before rig moves on location. | | |
| Inspector Signature: <i>Cody Boyd</i> | | |
| Printed Name: Cody Boyd | | |
| Title: Technician Rosa South | | |
| Date: 1/18/2014 Phone: (505)386-8672 | | |

Record Retention: Submit with Closure

WPX_NM_Temp_Pit_Inspection_Form(V2).doc
 Rev: April 24, 2012

WPX Energy Production
 San Juan Basin Operations
 720 So. Main / PO Box 640
 Aztec, NM 87410
 505-333-1806 / 505-333-1805 fax

Temporary Pit Inspection

FACILITY INFORMATION

| | |
|-----------------------------------|-----------------------------------|
| Facility Name: CHACO #145H, #146H | API #: 30-045-35496, 30-045-35498 |
|-----------------------------------|-----------------------------------|

| | |
|--|--|
| Pit Type: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Cavitation | Inspection: <input type="checkbox"/> Daily (Rig) <input checked="" type="checkbox"/> Weekly (Tech) |
|--|--|

| | | |
|---|---|-----------------------|
| Pit Liner intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | Date / Time Reported: |
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| Date liquids pulled (Liquids must be pulled within 30 days of rig off date) | <input type="checkbox"/> Drill Rig <input type="checkbox"/> Completion Rig Date Liquids Pulled: | |
| Comments: No Liquid in pit. No rig on location. Tear in pit liner has been repaired. | | |
| Inspector Signature: <i>Cody Boyd</i> | | |
| Printed Name: Cody Boyd | | |
| Title: Technician Rosa South | | |
| Date: 1/25/2014 | Phone: (505)386-8672 | |

Record Retention: Submit with Closure

WPX_NM_Temp_Pit_Inspection_Form(V2).doc
 Rev: April 24, 2012

WPX Energy Production
 San Juan Basin Operations
 720 So. Main / PO Box 640
 Aztec, NM 87410
 505-333-1806 / 505-333-1805 fax

Temporary Pit Inspection

FACILITY INFORMATION

| | |
|-----------------------------------|-----------------------------------|
| Facility Name: CHACO #145H, #146H | API #: 30-045-35496, 30-045-35498 |
|-----------------------------------|-----------------------------------|

| | |
|--|--|
| Pit Type: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Cavitation | Inspection: <input type="checkbox"/> Daily (Rig) <input checked="" type="checkbox"/> Weekly (Tech) |
|--|--|

| | | |
|---|--|------------------------------------|
| Pit Liner intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, Report to EH&S immediately | Date / Time Reported: |
| Pit Properly Fenced | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required (if site fully fenced) | If No, Report to EH&S immediately |
| Pit Slopes intact | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If No, Report to EH&S immediately |
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| Free oil or sheen present on pit | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If Yes, Report to EH&S immediately |
| Flare Pit free of liquids | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable | If No, Report to EH&S immediately |
| Date liquids pulled | <input type="checkbox"/> Drill Rig <input type="checkbox"/> Completion Rig | |
| (Liquids must be pulled within 30 days of rig off date) | Date Liquids Pulled: | |
| Comments: No Liquid in pit. No rig on location. Tear in pit liner has been repaired. | | |
| Inspector Signature: <i>Cody Boyd</i> | | |
| Printed Name: Cody Boyd | | |
| Title: Technician Chaco Slope | | |
| Date: 2/1/2014 | Phone: (505)386-8672 | |

Record Retention: Submit with Closure

WPX_NM_Temp_Pit_Inspection_Form(V2).doc
 Rev: April 24, 2012

District I
1525 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) 334-6176 Fax: (505) 334-6170

District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 478-3450 Fax: (505) 478-3452

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|--|--|
| ¹ API Number | ² Pool Code 47540 | ³ Pool Name NAGEEZI GALLUP |
| ⁴ Property Code | ⁵ Property Name CHACO 2308-09A | ⁶ Well Number 145H |
| ⁷ OBRID No. 120782 | ⁸ Operator Name WPX ENERGY PRODUCTION, LLC | ⁹ Elevation 6883' |

¹⁰Surface Location

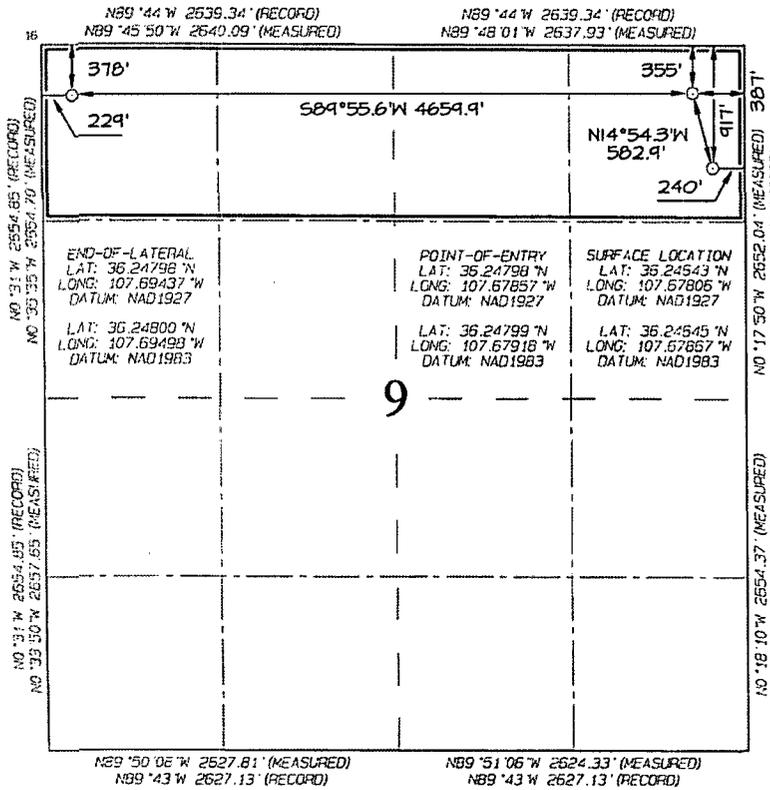
| U.S. or Int. No. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| A | 9 | 23N | 8W | | 917 | NORTH | 240 | EAST | SAN JUAN |

¹¹Bottom Hole Location If Different From Surface

| U.S. or Int. No. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| D | 9 | 23N | 8W | | 378 | NORTH | 229 | WEST | SAN JUAN |

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

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 _____ Date _____
Printed Name _____
E-mail Address _____

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: FEBRUARY 24, 2014
Date of Survey: APRIL 19, 2013

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------------|--|------------------------------|
| *API Number | *Pool Code 47540 | *Pool Name NAGEEZI GALLUP |
| *Property Code | *Property Name CHACO 2308-09A | *Well Number 146H |
| *GRID No. 120782 | *Operator Name WPX ENERGY PRODUCTION, LLC | *Elevation 6883' |

¹⁰ Surface Location

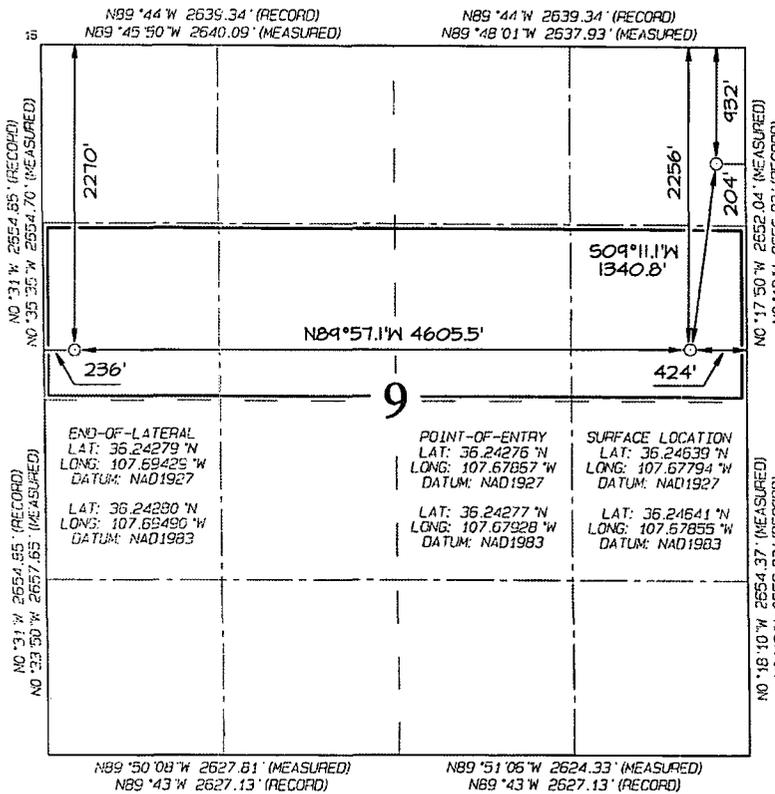
| UL or lot no. | Section | Township | Range | Lot Jan | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| A | 9 | 23N | 8W | | 932 | NORTH | 204 | EAST | SAN JUAN |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Jan | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| E | 9 | 23N | 8W | | 2270 | NORTH | 236 | WEST | SAN JUAN |

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

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 _____ Date _____
 Printed Name _____
 E-mail Address _____

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 24, 2014
 Date of Survey: APRIL 19, 2013

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
 Certificate Number 15269

From: Johnny [johnny@adobecontractorsinc.com]
Sent: Wednesday, March 12, 2014 9:35 AM
To: Brandon Powell
Cc: Riley, Heather; Heil, Mark; Lepich, Mark; Granillo, Lacey; Higgins, Larry
Subject: Pit closure on WPX well pad Chaco 2308-9A #145H/ 146H

Brandon, we will be closing this pit on Friday 3/14/2014. Please let me know if you have any questions.

Thank you,

Johnny R. Stinson
General Manager
Adobe Contractors Inc.
Office: 505-632-1486
Fax: 505-632-9807
Mobile: 505-320-6076
johnny@adobecontractorsinc.com

| | | |
|--|---|--|
| Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 | State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 | Form C-105 Revised August 1, 2011 1. WELL API NO. 30-045-35496 & 30-045-35498 2. Type of Lease <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN 3. State Oil & Gas Lease No. NMNM 018463 |
|--|---|--|

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | |
|---|--|
| 4. Reason for filing: <input type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input checked="" type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) | 5. Lease Name or Unit Agreement Name Chaco 2308-09A 6. Well Number: #145H & #146H <div style="text-align: right; font-weight: bold;"> RCVD SEP 24 '14 OIL CONS. DIV. DIST. 3 </div> |
|---|--|

7. Type of Completion:
 NEW WELL WORKOVER DEEPENING PLUGBACK DIFFERENT RESERVOIR OTHER

| | |
|---|--|
| 8. Name of Operator WPX Energy Production, LLC 10. Address of Operator PO Box 640 / 721 South Main Aztec, NM 87410 | 9. OGRID 120782 11. Pool name or Wildcat Lybrook/Gallup |
|---|--|

| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | N/S Line | Feet from the | E/W Line | County |
|--------------|----------|---------|----------|-------|-----|---------------|----------|---------------|----------|--------|
| Surface: | | | | | | | | | | |
| BH: | | | | | | | | | | |

| | | | | |
|----------------------------------|-----------------------|------------------------------------|---------------------------------------|---|
| 13. Date Spudded | 14. Date T.D. Reached | 15. Date Rig Released 2/20/2014 | 16. Date Completed (Ready to Produce) | 17. Elevations (DF and RKB, RT, GR, etc.) |
| 18. Total Measured Depth of Well | | 19. Plug Back Measured Depth | 20. Was Directional Survey Made? | 21. Type Electric and Other Logs Run |

22. Producing Interval(s), of this completion - Top, Bottom, Name

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| | | | | | |

| 24. LINER RECORD | | | | 25. TUBING RECORD | | | |
|------------------|-----|--------|--------------|-------------------|------|-----------|------------|
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
| | | | | | | | |

| | |
|---|---|
| 26. Perforation record (interval, size, and number) | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. |
| | DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED |
| | |
| | |

28. PRODUCTION

| | | | | | | | |
|-----------------------|-----------------|--|------------------------|-----------|--------------|---|-----------------|
| Date First Production | | Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) | | | | Well Status (<i>Prod. or Shut-in</i>) | |
| Date of Test | Hours Tested | Choke Size | Prod'n For Test Period | Oil - Bbl | Gas - MCF | Water - Bbl. | Gas - Oil Ratio |
| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity - API - (<i>Corr.</i>) | |

| | |
|---|-----------------------|
| 29. Disposition of Gas (<i>Sold, used for fuel, vented, etc.</i>) | 30. Test Witnessed By |
|---|-----------------------|

31. List Attachments

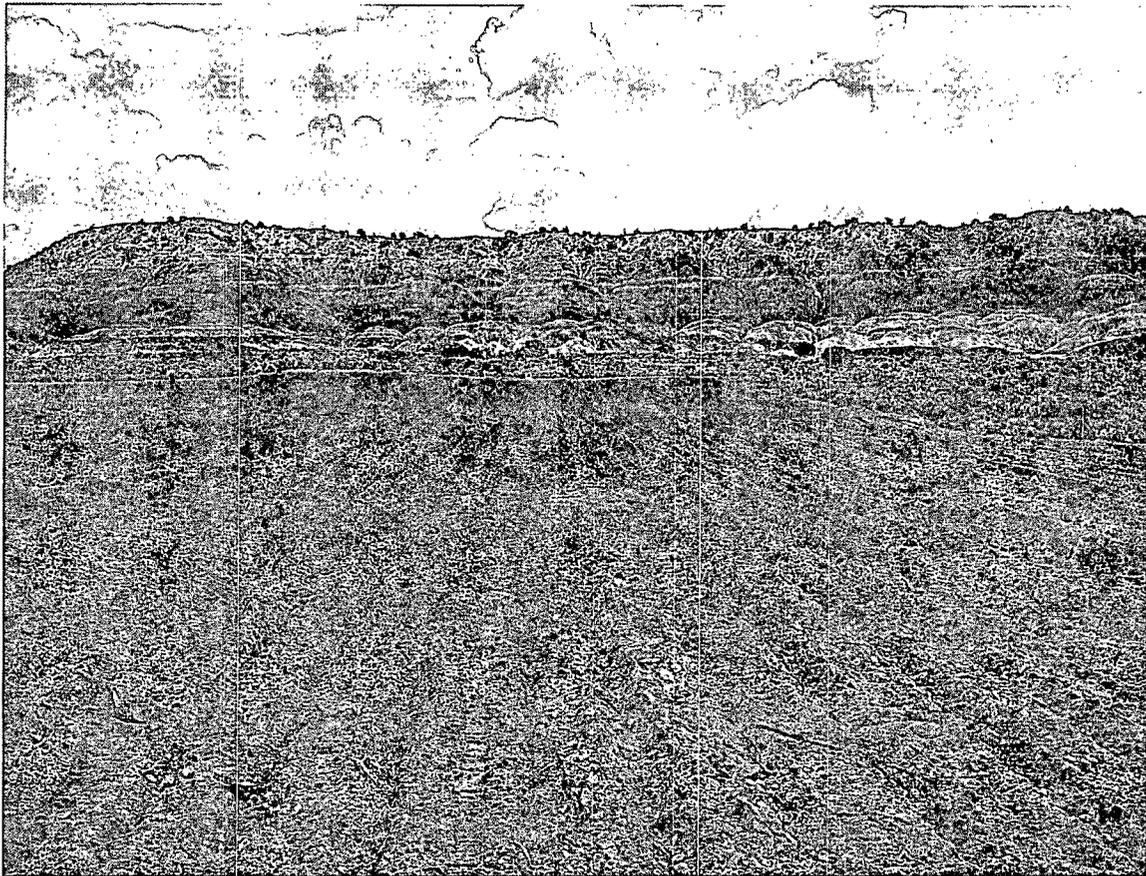
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

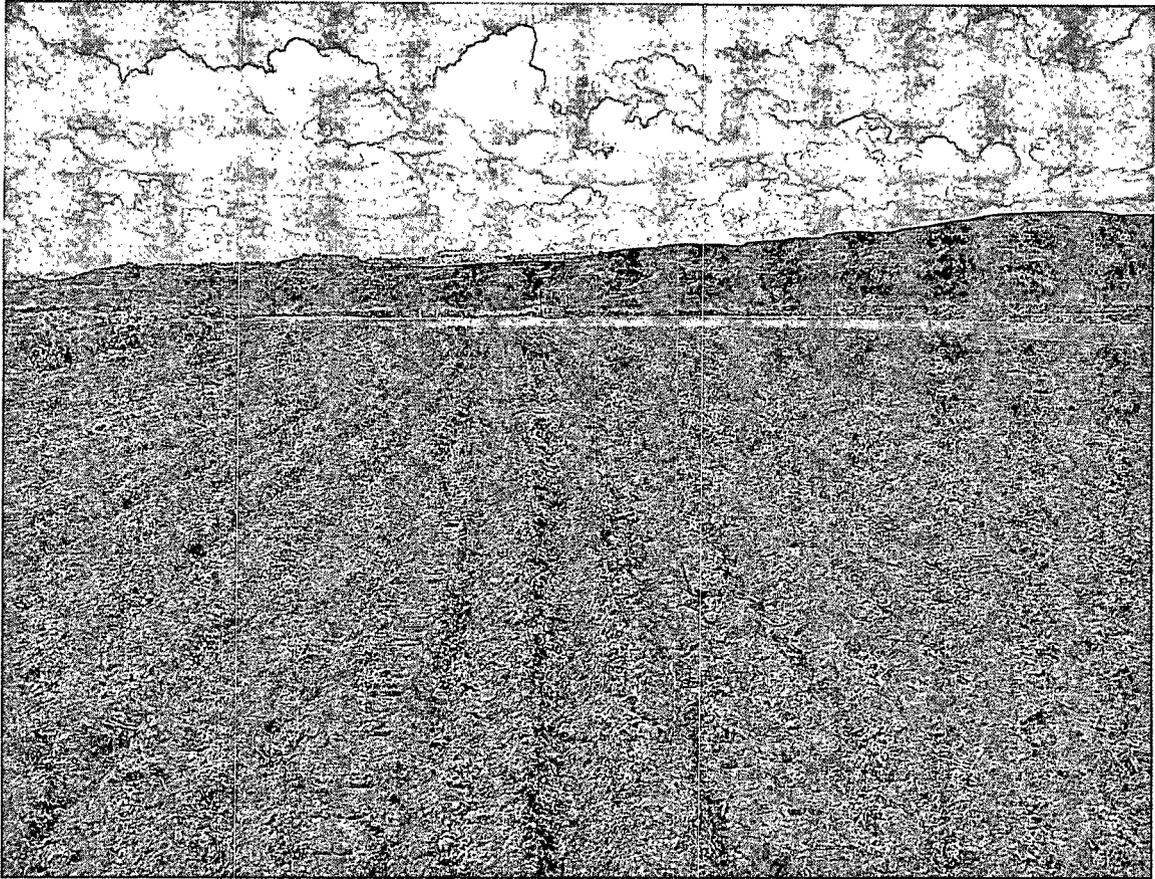
33. If an on-site burial was used at the well, report the exact location of the on-site burial:
 Latitude 36.24612 Longitude -107.67884 NAD 1983

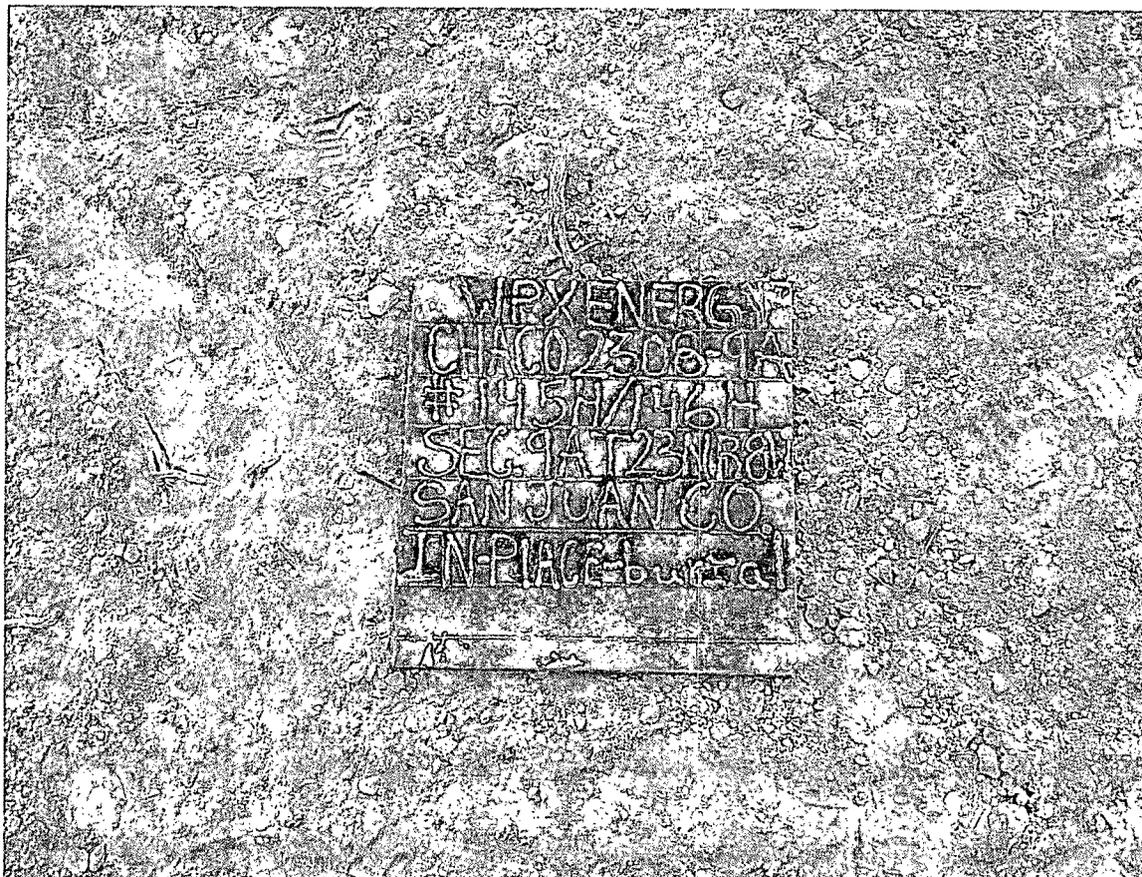
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Printed Name: Mark Heil Title: Regulatory Specialist Date: 9/17/2014

E-mail Address: mark.heil@wpxenergy.com







| |
|---|
| 5 |
| 6 |



Permit # 11627

Mr. Jonathan Kelly,

The Chaco 2308-09A #145H and the Chaco 2308-09A #146H temporary pit closure package did not contain the surface owner notification. The notification is stapled to this letter in an email format, and was sent on March 12th, 2014. The notification to the surface owner did not meet NMOCD's time requirement of 72 hours. Page 7 of 34 has been modified to reflect this and is also stapled to this page.

Thank you,

A handwritten signature in black ink, appearing to read "Mark Heil". The signature is written in a cursive, somewhat stylized font.

Mark Heil
Regulatory Specialist

OIL CONS. DIV DIST. 3

OCT 23 2014

WPX Energy Production, LLC
San Juan Basin: New Mexico Assets
Temporary Pit In-place Closure Report
Drilling/Completion and Workover
(Groundwater between 50 and 100 feet bgs)

Well: Chaco 2308-09A #145H & Chaco 2308-09A #146H
API No: 30-045-35496 & 30-045-35498
Location: A-S09-T23N-R08W, NMPM

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general in-place closure requirements of temporary pits on WPX Energy Production, LLC (WPX) locations in the San Juan Basin of New Mexico. This is WPX's standard procedure for all temporary pits to be utilized for the drilling, completion and/or workovers of oil and gas wells operated by WPX. For those temporary pits which do not conform to this standard closure plan, a separate well/pit specific closure plan will be developed and utilized.

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the pit closure on a Closure Report using Division Form C-144. The Report will include the following:

- Details on Capping and Covering, where applicable
- Plot Plan (Pit Diagram)
- Inspection reports
- Sampling Results
- Division Form C-105: *WELL COMPLETION OR RECOMPLETION REPORT AND LOG*
- Copy of Deed Notice filed with the County Clerk (format to meet County requirements)
A deed notice is not required on state, federal or tribal land according to NMOCD FAQ dated October 30, 2008 and posted on the NMOCD website.

General Plan Requirements:

1. All free standing liquids will be removed from the pit at the start of the closure process. Liquids will be removed in a manner that the appropriate District Office approves including; recycled, reused, reclaimed, evaporated, and/or disposed of in a Division-approved facility. Once all free liquids are removed, the sludge will be stabilized by one of the following methods depending on equipment availability: blending with clean stockpiled soils or dewatering using a Bowl Decanter Centrifuge then blending with clean stockpiled soils.
Free liquids were not present at the reserve pit following the completion rigoff. Therefore, no liquids were hauled.
2. The preferred method of closure for all temporary pits will be on-site closure by in-place burial, provided all the criteria in 19.15.17.13.B are met.
On-site burial plan for this location was approved by the Aztec District Office on (12/4/2013). However, since the burial for the pit was not as originally permitted as indicated by the closure plan, a modification for variance for the closure plan was submitted and granted by NMOCD on 8/6/2014.
3. The surface owner shall be notified of WPX's proposed closure plan using a means that provides proof of notice (i.e. certified mail/return receipt requested)
WPX notified the SMA of its intent to use a temporary pit and onsite burial in the Surface Use Plan in the well APD. The SMA was notified by email, see attached. However, the closure was not completed within the 72 hrs that the letter was sent as required by NMOCD. WPX Energy will attempt to plan this process more thoroughly and ensure that the surface owner notification is sent to the surface owner, as required by NMOCD. No return receipt required per BLM:FFO/NMOCD MOU dated 5/4/09.
4. Within six months of the "rig-off" status occurring WPX will ensure that the temporary pit is covered, recontoured and reseeded in progress.
Drill rig-off (2/20/2014). Completion Rig-off (3/18/2014) Pit covered (9/17/2014). Pit area along with unused portions of well pad interim reclamation were not reclaimed in accordance with Surface Management Agency requirements in APD-COAs and per BLM:FFO/NMOCD MOU dated 5/4/2009 for the following reason: This pit was not closed within the approved 6-month time frame given by NMOCD. WPX Energy will diligently work to correct this issue by keeping in closer communication with NMOCD and filing for time extensions when necessary.
5. Notice of Closure will be given to the Aztec District office between 72 hours and one week of the scheduled closure via email or phone. The notification of closure will include the following:
 - a. Operators Name (WPX)
 - b. Well Name and API Number
 - c. Location (USTR)The Aztec District Office of NMOCD was notified by email using a format acceptable to the District. Copies of the notification from Abode Contractors on (3/12/2014) is attached.
6. The pit liner shall be removed above "mud level" after stabilization. Removal of the liner will consist of manually or mechanically cutting the liner at the mud level and removing all remaining liner. Care will be taken to remove "all" of the liner (i.e. anchored material). All excessive liner will be disposed of at a licensed disposal facility (probably San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426).

From: Johnny [johnny@adobecontractorsinc.com]
Sent: Wednesday, March 12, 2014 9:38 AM
To: mkelly@blm.gov; rmckee@blm.gov; rswitzer@blm.gov; 'Sherrie Landon'
Cc: Granillo, Lacey; Riley, Heather; Heil, Mark; Lepich, Mark; Higgins, Larry
Subject: Pit closure on WPX well pad Chaco 2308-9A #145H/ 146H

All,

We will be closing this pit at the end of this week. There will be no other reclamation performed at this time until after completion. Please let me know if you have any questions.

Thank you,

Johnny R. Stinson
General Manager
Adobe Contractors Inc.
Office: 505-632-1486
Fax: 505-632-9807
Mobile: 505-320-6076
johnny@adobecontractorsinc.com