

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, 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 3160-4 or 3160-5 form.

Operator Signature Date: 1/30/15

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-35564-00-00	CHACO 2308 11A	407H	WPX ENERGY PRODUCTION, LLC	O	N	San Juan	F	A	11	23	N	8	W

Application Type:

- P&A
 Drilling/Casing Change
 Location Change
 Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
 Other: Remedial work

Conditions of Approval:

Remediation is required to provide isolation between the Kirtland and Ojo formations. The decision was based on the log evaluation and a meeting with Halliburton and WPX.



NMOCD Approved by Signature

2/5/15
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JAN 30 2015

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM10397	6. If Indian, Alutche or Tribe Name
2. Name of Operator WPX Energy Production, LLC		7. If Unit of CA/Agreement, Name and/or No. 132829	8. Well Name and No. Chaco 2308 - 11A #407H
3a. Address PO Box 640 Aztec, NM 87410	10. Field and Pool or Exploratory Area 505-333-1816	10. Field and Pool or Exploratory Area Basin Mancos	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 335' FNL & 1047' FWL, Sec 11, T23N, R8W BHL: 1265' FNL & 230' FEL, Sec 12, T23N, R8W		11. Country or Parish, State San Juan, NM	

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	No Remedial Work Required-CAST CBL
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

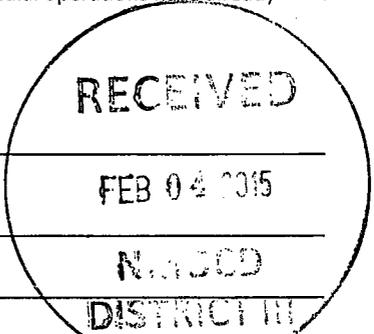
1/12/15- Andrew Brunk received verbal response after review of the logs that the Chaco #407H cement isolation looked good and no remedial work would be necessary or required.

Blm representation by:
Troy Salyers
Chip Harraden
Ray Espinoza

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

1/29/15- Andrew Brunk and Lacey Granillo met with BLM and discussed the CAST CBL logs re-ran on 1/26/15. BLM was still in agreement that no remedial work was require, due to isolation based upon the interpretation of formation tops. Remedial operations have already been initiated as per NMOCD requirements. A subsequent squeeze sundry will be filed upon completion.

Blm representation by:
Troy Salyers
Chip Harraden
Ray Espinoza



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lacey Granillo	Title Permit Tech III
Signature <i>[Handwritten Signature]</i>	Date 1/30/15

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Troy Salyers</i>	Title PE	Date 1/30/2015
Conditions of approval, if any, are attached. Approval of this notice 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.	Office FFO	

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.

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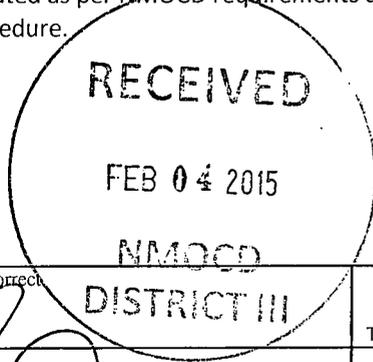
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		11. Country or Parish, State San Juan, NM

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<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>CEMENT SQUEEZE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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Remedial work has already been initiated as per NMOCD requirements and verbal approval from both NMOCD and BLM. Attached is the Cement Squeeze Procedure.



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

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Lacey Granillo	Title Permit Tech III
Signature <i>[Handwritten Signature]</i>	Date 1/30/15

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Chaco #407H

Cement Squeeze procedure

1. Set bridge plug between 1550'-1600' ensuring it is not in a collar.
2. Shoot perforations @ 1492' (as per state). Shoot 2 spf @ 180* phasing.
3. Pressure test perforations to 300 psi (.663 psi/ft) and watch pressure bleed off to determine cement remediation procedure. If no leak off occurs call engineer for higher max pressure for test.
 - a. If large leak off occurs, set cement retainer and proceed with cement retainer procedure.
 - b. If small pressure leak off occurs, plan to proceed with balanced plug cement procedure.
4. Small pressure leak off occurred, 110 psi bleedoff after 1 minute, 200 psi bleedoff after 7 minutes.
5. Proceed with balanced plug cement procedure.
6. TIH with tubing 20' below perforations, 1512'.
7. Pump 60 sx of FineCem with .1 CFR3 with HES. This gives us a 200' 8 bbl balanced plug, to squeeze with.
8. Pull out of cement laying down tubing until out of hole.
9. Pressure up on wellbore to 300 psi and watch pressure.
 - a. If pressure falls off continue bumping pressure up to 300 psi until pressure does not fall off.
 - b. When pressure does not fall off, pressure up the wellbore to a higher pressure in increments of 50 psi checking with engineer to ensure quality cement across perforations.
 - i. *****IMPORTANT***** FineCem cement is cement designed for small leaks. If we pressure up too much and break down formation, there is the possibility of the well going on vacuum and taking all of our cement. Be prepared to shut in the wellbore to keep this from happening.

10. Once the well has stopped bleeding off at the pressure agreed upon between well-site consultant and engineer, shut well in with said pressure, and leave for 36 hours (as per HES).

If you have any questions about this procedure please call:

Garrett Stacey (972) 834-9141

Thank you.