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

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 3160-3 APD form.

Operator Signature Date: 4-14-15
Well information;
Operator WPX, Well Name and Number Chaco 2407 35I #159H

API# 30-039-31311, Section 35, Township 24 (N/S), Range 7 (E/W)

Conditions of Approval:
(See the below checked and handwritten conditions)

- [x] Notify Aztec OCD 24hrs prior to casing & cement.
- [x] Hold C-104 for directional survey & "As Drilled" Plat
- [x] 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
- [x] Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- [x] 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.
- [x] Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Charlie Perrin
NMOCD Approved by Signature

5-15-2015
Date KC

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

OIL CONS. DIV DIST. 3

MAY 08 2015

RECEIVED

APR 16 2015

Farmington Field Office
Bureau of Land Management

Form 3160-3
(September 2001)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.	NMSF-078534
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No.	Chaco 2407-35I #159H
9. API Well No.	30-039-31311
10. Field and Pool, or Exploratory	Basin Mancos / Lybrook Gallup
11. Sec., T., R., M., or Blk. and Survey or Area	SHL: Section 35, T24N, R7W BHL: Section 35, T24N, R7W

1a. Type of Work: ☒ DRILL ☐ REENTER

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

2. Name of Operator: WPX Energy Production, LLC

3a. Address: P.O. Box 640 Aztec, NM 87410

3b. Phone No. *(include area code)*: (505) 333-1849

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

At surface: I 1733' FSL & 247' FEL, sec 35, T24N, R7W

At proposed prod. zone: M 751' FSL & 230' FWL, sec 35, T24N, R7W

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State
Approximately 48.3 miles South from Bloomfield NM	Rio Arriba	NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 247'	16. No. of Acres in lease: 1842.88	17. Spacing Unit dedicated to this well: 160 acres S/2S/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 22'	19. Proposed Depth: 10,713 MD / 5,360 TVD	20. BLM/BIA Bond No. on file: UTB000178
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6806' GR	22. Approximate date work will start*: May 1, 2015	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	Name *(Printed/Typed)*: Andrea Felix	Date: 4-14-2015
Title: Regulatory Specialist Senior		
Approved by *(Signature)*: /s/ Mancuso	Name *(Printed/Typed)*	Date: 5/5/15
Title: AFM	Office: FFO	

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 / Lybrook Gallup Pool at the above described location in accordance with the attached drilling and surface use plans.

The well pad surface is on lease on BLM surface and is co-located with the Chaco 2407-35I #160H.

This location has been archaeologically surveyed by LaPlata Archeology. Copies of their report have been submitted directly to the BLM.

New access road is approximately 78.0' on lease on BLM surface.

New pipeline is approximately 6,383.8' off lease on BLM surface and a ROW has been submitted for this pipeline.

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

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

CONFIDENTIAL

NMOCD

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First Street, Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-039-31311	97232 / 42289	BASIN MANCOS / LYBROOK GALLUP

4 Property Code	5 Property Name	6 Well Number
314809	CHACO 2407-35I	159H

7 OGRID No	8 Operator Name	9 Elevation
120782	WPX ENERGY PRODUCTION, LLC	6806

10 Surface Location

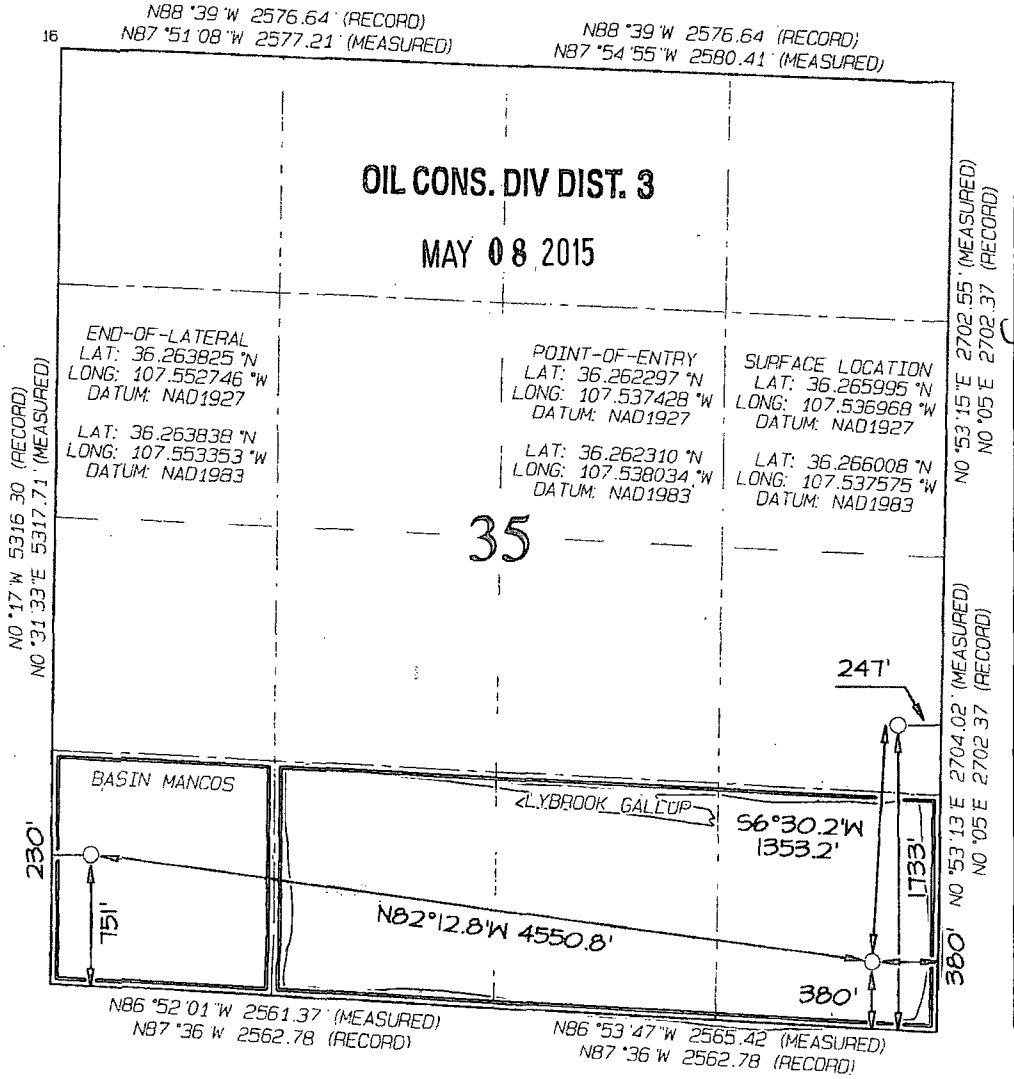
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	35	24N	7W		1733	SOUTH	247	EAST	RIO ARRIBA

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
M	35	24N	7W		751	SOUTH	230	WEST	RIO ARRIBA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No
160.0 Acres - (S/2 S/2) Mancos=40 Gallup=120			

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: 4-15-2015

Andrea Felix
Printed Name

andrea.felix@wpxenergy.com
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 31, 2015
Survey Date: SEPTEMBER 3, 2013

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

WPXENERGY

WPX ENERGY

Operations Plan

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

DATE:	11/11/2014	**FIELD:**	Basin Mancos / Lybrook Gallup
WELL NAME:	**Chaco 2407-35I 159H**	**SURFACE:**	BLM
SH Location:	NESE Sec 35 -24N -07W	**ELEVATION:**	6806' GR
BH Location:	NWSW Sec 35 -24N -07W Rio Arriba CO., NM	**MINERALS:**	Federals
MEASURED DEPTH:	**10,713**	**LEASE #:**	NMSF0078534

I. GEOLOGY: Surface formation – San Jose

A. **FORMATION TOPS:** (KB)

Name	MD	TVD	Name	MD	TVD
Ojo Alamo	1033	1031	Point Lookout	4363	4149
Kirtland	1349	1338	Mancos	4461	4408
Picture Cliffs	2068	2012	**Kickoff Point**	**4948**	4694
Lewis	2145	2084	Top Target	5822	5394
Chacra	2421	2341	**Landing Point**	**6163**	5476
Cliff House	3594	3433	Base Target	6163	5476
Menefee	3650	3485			
			TD	10713	5360

B. **MUD LOGGING PROGRAM:** Mudlogger on location from surface csg to TD.

C. **LOGGING PROGRAM:** LWD GR from surface casing to TD.

D. **NATURAL GAUGES:** Gauge any noticeable increases in gas flow. Record all gauges in Tour book and on morning reports.

II. DRILLING

A. **MUD PROGRAM:** LSND mud (WBM) will be used to drill the 12-1/4" Surface hole, the 8 ¾" Directional Vertical hole, and the curve portion of the wellbore. A LSND (WBM) or (OBM) will be used to drill the lateral portion of well. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses.

B. **BOP TESTING:** While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The 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 +/- 4,948' (MD) / 4,694' (TVD). Curve portion of wellbore will be drilled and landed at +/- 90 deg. at +/- 6,163' (MD) / 5,476' (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 +/- 10,713' (MD) / 5,360' (TVD). Will run 4-1/2 in. Production Liner from +/- 6,013 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:

CASING TYPE	OH SIZE (IN)	DEPTH (MD) (FT)	CASING SIZE (IN)	WEIGHT(LB)	GRADE
Surface	12.25"	400'+	9.625"	36#	J-55
Intermediate	8.75"	6,163'	7"	23#	K-55
Prod. Liner	6.125"	6,013' - 10,713'	4-1/2"	11.6#	N-80
Tie-Back String	N/A	Surf. - 6,013'	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., 2,000ft., 1,500 ft., and 1,000 ft.

3. PRODUCTION LINER: Run 4-1/2" Liner with cement nose guide Float Shoe + 2jts. of 4-1/2" casing + Landing Collar + 4-1/2" pup joint + 1 RSI (Sliding Sleeve) positioned inside the 330ft Hard line. Centralizer program will be determined by Wellbore condition and when Lateral is evaluated by Geoscientists and Reservoir Engineers. Set seals on Liner Hanger. Test TOL to 1500 psi for 15 minutes.

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: +/- 700 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 (563.3 cu ft / 95.5 bbls). Mix Foamed Cement w/ +/- 75,000 SCF Nitrogen. Est. TOC +/- 5,644 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 6,094 ft. MD) with a Liner Hanger and pack-off assembly then cemented to +/- 300 ft above the liner hanger. TOL will be +/- 5,944 ft. (MD) +/- 78 degree angle. TOC: +/- 5,644 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.

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.

WPXENERGY

Well Name: Chaco 2407-35I #159H
Surface Location: Chaco 2407-35I
NAD 1927 (NADCON CONUS) , US State Plane 1927 (Exact solution) New Mexico West 3003
Ground Elevation: 6802.0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.0	0.0	1916199.80	587367.41	36.266000	-107.536970	159H

WELL @ 6816.0usft (Original Well Elev)

T M

Azimuths to True North
Magnetic North: 9.33°

Magnetic Field
Strength: 50156.9snT
Dip Angle: 63.02°
Date: 10/28/2014
Model: IGRF2010

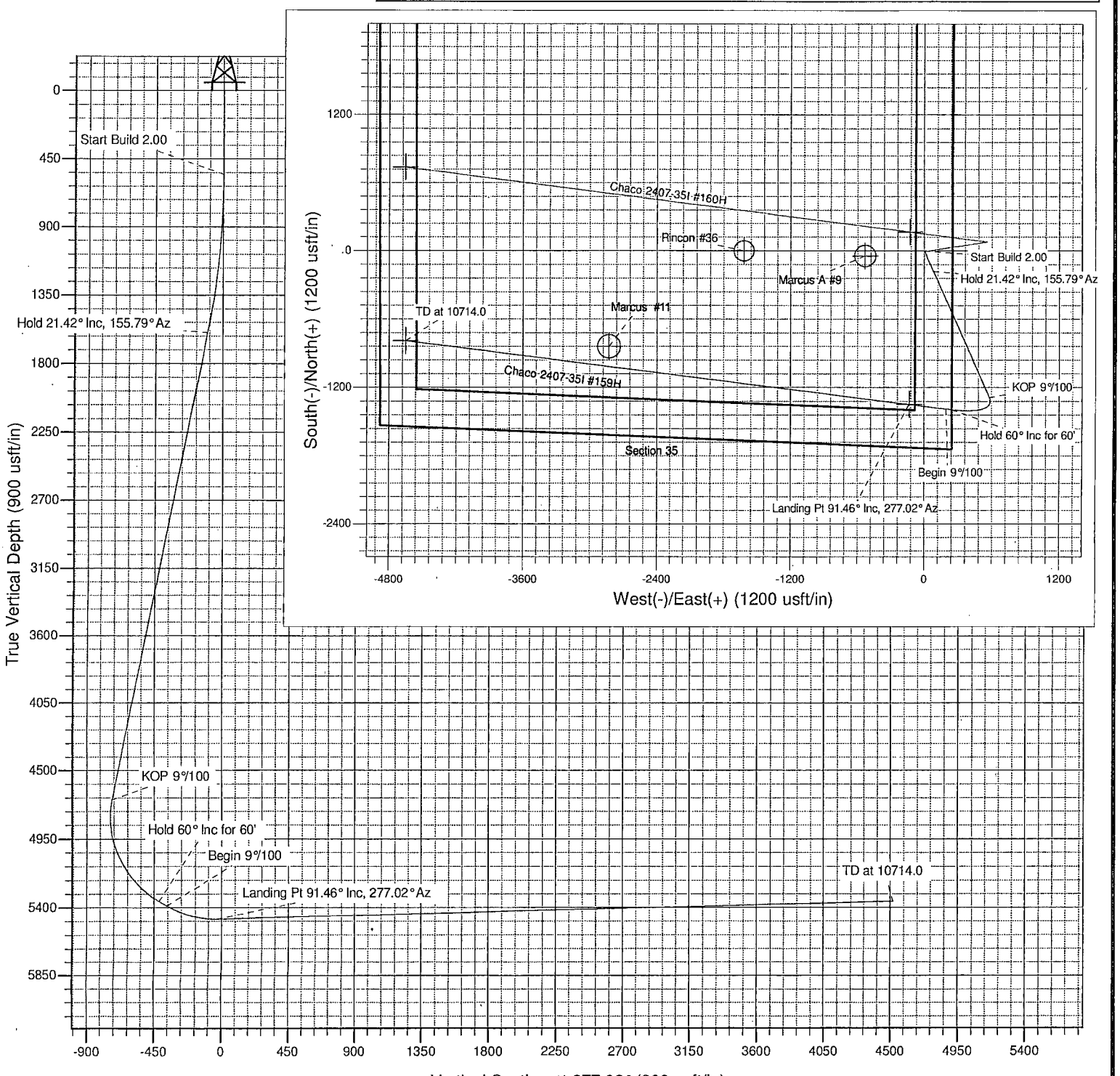
Project: SJ 24-24N-07W
Site: Chaco 2407-35I
Well: Chaco 2407-35I #159H
Design #1 28Oct14 kjs

ANNOTATIONS

TVD	MD	Inc	Azi	+N/-S	+E/-W	VSect	Departure	Annotation
550.0	550.0	0.00	0.00	0.0	0.0	0.0	0.0	Start Build 2.00
1596.3	1621.1	21.42	155.79	-180.5	81.2	-102.6	197.9	Hold 21.42° Inc, 155.79° Az
4693.5	4948.2	21.42	155.79	-1288.8	579.4	-732.6	1413.1	KOP 9°/100
5360.9	5753.2	60.00	277.02	-1394.8	248.4	-417.0	1821.2	Hold 60° Inc for 60'
5390.9	5813.2	60.00	277.02	-1388.4	196.8	-365.0	1873.2	Begin 9°/100
5476.0	6162.8	91.46	277.02	-1347.6	-135.2	-30.5	2207.7	Landing Pt 91.46° Inc, 277.02° Az
5360.0	10713.0	91.46	277.02	-791.6	-4649.9	4518.3	6756.5	TD at 10714.0

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
TD / PBHL Chaco 2407-35I #159H	5360.0	-791.4	-4650.8	1915394.13	582719.04	36.263825	-107.552746
POE Chaco #159H	5476.0	-1347.6	-135.2	1914851.80	587236.31	36.262298	-107.537429



WPXENERGY SM

SAN JUAN BASIN

SJ 24-24N-07W
Chaco 2407-35I
Chaco 2407-35I #159H - Slot 159H

Wellbore #1

Plan: Design #1 28Oct14 kjs

Standard Planning Report - Geographic

29 October, 2014

Database:	COMPASS-SANJUAN	**Local Co-ordinate Reference:**	Well Chaco 2407-35I #159H - Slot 159H
Company:	SAN JUAN BASIN	**TVD Reference:**	WELL @ 6816.0usft (Original Well Elev)
Project:	SJ 24-24N-07W	**MD Reference:**	WELL @ 6816.0usft (Original Well Elev)
Site:	Chaco 2407-35I	**North Reference:**	True
Well:	Chaco 2407-35I #159H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1 28Oct14 kjs		

Project SJ 24-24N-07W, Rio Arriba County, NM

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico West 3003		

Site Chaco 2407-35I

Site Position:		**Northing:**	1,916,199.80 usft	**Latitude:**	36.266000
From:	Map	**Easting:**	587,367.41 usft	**Longitude:**	-107.536970
Position Uncertainty:	0.0 usft	**Slot Radius:**	13.200 in	**Grid Convergence:**	0.18 °

Well Chaco 2407-35I #159H - Slot 159H

Well Position	**+N/-S**	0.0 usft	**Northing:**	1,916,199.80 usft	**Latitude:**	36.266000
	+E/-W	0.0 usft	**Easting:**	587,367.41 usft	**Longitude:**	-107.536970
Position Uncertainty		0.0 usft	**Wellhead Elevation:**	0.0 usft	**Ground Level:**	6,80[illegible]0 usft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	10/28/2014	9.33	63.02	50,157

Design Design #1 28Oct14 kjs

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	277.02

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
550.0	0.00	0.00	550.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,621.1	21.42	155.79	1,596.3	-180.5	81.2	2.00	2.00	0.00	155.79	
4,948.2	21.42	155.79	4,693.5	-1,288.8	579.4	0.00	0.00	0.00	0.00	
5,753.2	60.00	277.02	5,360.9	-1,394.8	248.4	9.00	4.79	15.06	129.04	
5,813.2	60.00	277.02	5,390.9	-1,388.4	196.8	0.00	0.00	0.00	0.00	
6,162.8	91.46	277.02	5,476.0	-1,347.6	-135.2	9.00	9.00	0.00	0.00	
10,714.0	91.46	277.02	5,360.0	-791.4	-4,650.8	0.00	0.00	0.00	0.00	TD / PBHL Chaco 24(

Database:	COMPASS-SANJUAN	**Local Co-ordinate Reference:**	Well Chaco 2407-35I #159H - Slot 159H
Company:	SAN JUAN BASIN	**TVD Reference:**	WELL @ 6816.0usft (Original Well Elev)
Project:	SJ 24-24N-07W	**MD Reference:**	WELL @ 6816.0usft (Original Well Elev)
Site:	Chaco 2407-35I	**North Reference:**	True
Well:	Chaco 2407-35I #159H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1 28Oct14 kjs		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
0.0	0.00	0.00	0.0	0.0	0.0	1,916,199.80	587,367.41	36.266000	-107.536970
200.0	0.00	0.00	200.0	0.0	0.0	1,916,199.80	587,367.41	36.266000	-107.536970
400.0	0.00	0.00	400.0	0.0	0.0	1,916,199.80	587,367.41	36.266000	-107.536970
550.0	0.00	0.00	550.0	0.0	0.0	1,916,199.80	587,367.41	36.266000	-107.536970
Start Build 2.00									
600.0	1.00	155.79	600.0	-0.4	0.2	1,916,199.41	587,367.59	36.265999	-107.536970
800.0	5.00	155.79	799.7	-9.9	4.5	1,916,189.87	587,371.91	36.265973	-107.536955
1,000.0	9.00	155.79	998.2	-32.2	14.5	1,916,167.68	587,381.97	36.265912	-107.536921
1,200.0	13.00	155.79	1,194.4	-67.0	30.1	1,916,132.93	587,397.73	36.265816	-107.536868
1,400.0	17.00	155.79	1,387.6	-114.2	51.3	1,916,085.79	587,419.09	36.265686	-107.536796
1,600.0	21.00	155.79	1,576.6	-173.5	78.0	1,916,026.50	587,445.97	36.265523	-107.536706
1,621.1	21.42	155.79	1,596.3	-180.5	81.2	1,916,019.54	587,449.12	36.265504	-107.536695
Hold 21.42° Inc, 155.79° Az									
1,800.0	21.42	155.79	1,762.9	-240.1	107.9	1,915,960.03	587,476.10	36.265341	-107.536604
2,000.0	21.42	155.79	1,949.0	-306.7	137.9	1,915,893.50	587,506.25	36.265157	-107.536503
2,200.0	21.42	155.79	2,135.2	-373.3	167.9	1,915,826.97	587,536.41	36.264974	-107.536401
2,400.0	21.42	155.79	2,321.4	-440.0	197.8	1,915,760.44	587,566.57	36.264791	-107.536299
2,600.0	21.42	155.79	2,507.6	-506.6	227.8	1,915,693.91	587,596.72	36.264608	-107.536198
2,800.0	21.42	155.79	2,693.8	-573.2	257.7	1,915,627.38	587,626.88	36.264425	-107.536096
3,000.0	21.42	155.79	2,880.0	-639.8	287.7	1,915,560.85	587,657.04	36.264242	-107.535994
3,200.0	21.42	155.79	3,066.1	-706.5	317.6	1,915,494.31	587,687.19	36.264059	-107.535893
3,400.0	21.42	155.79	3,252.3	-773.1	347.6	1,915,427.78	587,717.35	36.263876	-107.535791
3,600.0	21.42	155.79	3,438.5	-839.7	377.5	1,915,361.25	587,747.51	36.263693	-107.535690
3,800.0	21.42	155.79	3,624.7	-906.3	407.5	1,915,294.72	587,777.66	36.263510	-107.535588
4,000.0	21.42	155.79	3,810.9	-973.0	437.4	1,915,228.19	587,807.82	36.263327	-107.535487
4,200.0	21.42	155.79	3,997.1	-1,039.6	467.4	1,915,161.66	587,837.98	36.263144	-107.535385
4,400.0	21.42	155.79	4,183.2	-1,106.2	497.3	1,915,095.13	587,868.13	36.262961	-107.535283
4,600.0	21.42	155.79	4,369.4	-1,172.8	527.3	1,915,028.60	587,898.29	36.262778	-107.535182
4,800.0	21.42	155.79	4,555.6	-1,239.4	557.2	1,914,962.07	587,928.45	36.262595	-107.535080
4,948.2	21.42	155.79	4,693.5	-1,288.8	579.4	1,914,912.78	587,950.79	36.262460	-107.535005
KOP 9°/100									
5,000.0	18.82	167.09	4,742.2	-1,305.6	585.2	1,914,896.00	587,956.59	36.262413	-107.534985
5,200.0	18.62	225.43	4,933.2	-1,359.9	569.5	1,914,841.67	587,941.09	36.262264	-107.535038
5,400.0	31.13	257.52	5,115.1	-1,393.7	495.7	1,914,807.59	587,867.37	36.262171	-107.535289
5,600.0	47.11	270.90	5,270.0	-1,403.8	370.9	1,914,797.11	587,742.65	36.262144	-107.535712
5,753.2	60.00	277.02	5,360.9	-1,394.8	248.4	1,914,805.77	587,620.08	36.262168	-107.536128
Hold 60° Inc for 60'									
5,800.0	60.00	277.02	5,384.3	-1,389.8	208.2	1,914,810.60	587,579.84	36.262182	-107.536264
5,813.2	60.00	277.02	5,390.9	-1,388.4	196.8	1,914,811.96	587,568.49	36.262186	-107.536303
Begin 9°/100									
6,000.0	76.81	277.02	5,459.4	-1,367.3	25.1	1,914,832.59	587,396.65	36.262244	-107.536885
6,162.8	91.46	277.02	5,476.0	-1,347.6	-135.2	1,914,851.84	587,236.32	36.262298	-107.537429
Landing Pt 91.46° Inc, 277.02° Az - POE Chaco #159H									
6,200.0	91.46	277.02	5,475.0	-1,343.0	-172.1	1,914,856.27	587,199.37	36.262311	-107.537554
6,400.0	91.46	277.02	5,469.9	-1,318.6	-370.6	1,914,880.10	587,000.86	36.262378	-107.538227
6,600.0	91.46	277.02	5,464.8	-1,294.1	-569.0	1,914,903.93	586,802.35	36.262445	-107.538900
6,800.0	91.46	277.02	5,459.7	-1,269.7	-767.5	1,914,927.76	586,603.85	36.262512	-107.539573
7,000.0	91.46	277.02	5,454.6	-1,245.3	-965.9	1,914,951.60	586,405.34	36.262579	-107.540247
7,200.0	91.46	277.02	5,449.6	-1,220.8	-1,164.3	1,914,975.43	586,206.83	36.262646	-107.540920
7,400.0	91.46	277.02	5,444.5	-1,196.4	-1,362.8	1,914,999.26	586,008.32	36.262713	-107.541593
7,600.0	91.46	277.02	5,439.4	-1,171.9	-1,561.2	1,915,023.09	585,809.81	36.262781	-107.542266
7,800.0	91.46	277.02	5,434.3	-1,147.5	-1,759.6	1,915,046.92	585,611.30	36.262848	-107.542939
8,000.0	91.46	277.02	5,429.2	-1,123.1	-1,958.1	1,915,070.75	585,412.79	36.262915	-107.543612
8,200.0	91.46	277.02	5,424.1	-1,098.6	-2,156.5	1,915,094.58	585,214.28	36.262982	-107.544285

Database:	COMPASS-SANJUAN	**Local Co-ordinate Reference:**	Well Chaco 2407-35I #159H - Slot 159H
Company:	SAN JUAN BASIN	**TVD Reference:**	WELL @ 6816.0usft (Original Well Elev)
Project:	SJ 24-24N-07W	**MD Reference:**	WELL @ 6816.0usft (Original Well Elev)
Site:	Chaco 2407-35I	**North Reference:**	True
Well:	Chaco 2407-35I #159H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1 28Oct14 kjs		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
8,400.0	91.46	277.02	5,419.0	-1,074.2	-2,354.9	1,915,118.41	585,015.77	36.263049	-107.544958
8,600.0	91.46	277.02	5,413.9	-1,049.8	-2,553.4	1,915,142.24	584,817.26	36.263116	-107.545631
8,800.0	91.46	277.02	5,408.8	-1,025.3	-2,751.8	1,915,166.07	584,618.75	36.263183	-107.546304
9,000.0	91.46	277.02	5,403.7	-1,000.9	-2,950.3	1,915,189.91	584,420.24	36.263250	-107.546978
9,200.0	91.46	277.02	5,398.6	-976.4	-3,148.7	1,915,213.74	584,221.73	36.263317	-107.547651
9,400.0	91.46	277.02	5,393.5	-952.0	-3,347.1	1,915,237.57	584,023.22	36.263384	-107.548324
9,600.0	91.46	277.02	5,388.4	-927.6	-3,545.6	1,915,261.40	583,824.71	36.263451	-107.548997
9,800.0	91.46	277.02	5,383.3	-903.1	-3,744.0	1,915,285.23	583,626.20	36.263518	-107.549670
10,000.0	91.46	277.02	5,378.2	-878.7	-3,942.4	1,915,309.06	583,427.69	36.263586	-107.550343
10,200.0	91.46	277.02	5,373.1	-854.2	-4,140.9	1,915,332.89	583,229.18	36.263653	-107.551016
10,400.0	91.46	277.02	5,368.0	-829.8	-4,339.3	1,915,356.72	583,030.67	36.263720	-107.551689
10,600.0	91.46	277.02	5,362.9	-805.4	-4,537.7	1,915,380.55	582,832.16	36.263787	-107.552362
10,713.0	91.46	277.02	5,360.0	-791.6	-4,649.9	1,915,394.02	582,720.00	36.263825	-107.552743
TD at 10714.0									
10,714.0	91.46	277.02	5,360.0	-791.4	-4,650.8	1,915,394.13	582,719.04	36.263825	-107.552746
TD / PBHL Chaco 2407-35I #159H									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
TD / PBHL Chaco 2407- - plan hits target center - Point	0.00	0.00	5,360.0	-791.4	-4,650.8	1,915,394.13	582,719.04	36.263825	-107.552746
POE Chaco #159H - plan hits target center - Point	0.00	0.00	5,476.0	-1,347.6	-135.2	1,914,851.80	587,236.31	36.262298	-107.537429

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
550.0	550.0	0.0	0.0	Start Build 2.00
1,621.1	1,596.3	-180.5	81.2	Hold 21.42° Inc, 155.79° Az
4,948.2	4,693.5	-1,288.8	579.4	KOP 9°/100
5,753.2	5,360.9	-1,394.8	248.4	Hold 60° Inc for 60'
5,813.2	5,390.9	-1,388.4	196.8	Begin 9°/100
6,162.8	5,476.0	-1,347.6	-135.2	Landing Pt 91.46° Inc, 277.02° Az
10,713.0	5,360.0	-791.6	-4,649.9	TD at 10714.0

b. No additional fill would be required to construct the pad.

5. All project activities will be confined to permitted areas only.
6. Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, and a dozer.
7. If drilling has not been initiated on the well pad within 120 days of the well pad being constructed, the operator will consult with the BLM to address a site-stabilization plan.

D. Production Facilities
   1. As practical, access will be a teardrop-shaped road through the production area so that the center may be revegetated.
   2. Within 90 days of installation, production facilities would be painted Juniper Green to blend with the natural color of the landscape and would be located, to the extent practical, to reasonably minimize visual impact.
   3. Berms will be constructed around all storage facilities sufficient in size to contain the storage capacity of tanks. Berm walls will be compacted with appropriate equipment to assure containment.

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

7.0 Methods for Handling Waste

A. Cuttings
   1. Drilling operations will utilize a closed-loop system. Drilling of the horizontal laterals will be accomplished with water-based mud. All cuttings will be placed in roll-off bins and hauled to a commercial disposal facility or land farm. WPX will follow Onshore Oil and Gas Order No. 1 regarding the placement, operation, and removal of closed-loop systems. No blow pit will be used.
   2. Closed-loop tanks will be adequately sized for containment of all fluids.

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

C. Spills
   1. Any spills of non-freshwater fluids will be immediately cleaned up and removed to an approved disposal site.

D. Sewage
   1. Portable toilets will be provided and maintained during construction, as needed (see Figure 4 in Appendix B for the location of toilets).

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

F. Hazardous Waste
   1. No chemicals subject to reporting under Superfund Amendments and Reauthorization Act Title III in an amount equal to or greater than 10,000 pounds will be used, produced,

Directions from the Intersection of US Hwy 550 & US Hwy 64

in Bloomfield, NM to WPX Energy Production, LLC Chaco 2407-35I #159H

1733' FSL & 247' FEL, Section 35, T24N, R7W, N.M.P.M., Rio Arriba County, NM

Latitude: 36.266008°N Longitude: 107.537575°W Datum: NAD1983

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Southerly on US Hwy 550 for 48.3 miles to Mile Marker 102.9;

Go Left (Northerly) on County Road #378 for 1.1 miles to fork in roadway;

Go Left (North-westerly) for 0.4 miles down Rocky Berry Hill to fork in roadway at bottom of hill;

Go Left (Westerly) for 1.1 miles to fork in roadway;

Go Right (Northerly) for 1.1 miles to 4-way intersection on edge of existing wellpad;

Go Straight (Easterly) for 0.1 miles through existing wellpad to begin access on right-hand side of existing roadway which continues for 78.0' to staked Chaco 2407-35I #159H location.

3000 PSI BOP Schematic