

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30-039-31294
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. E012079
7. Lease Name or Unit Agreement Name 132829
8. Well Number NE Chaco Com #243H
9. OGRID Number 120782
10. Pool name or Wildcat Chaco Unit NE HZ (oil)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [] Other []
2. Name of Operator WPX Energy Production, LLC
3. Address of Operator 721 South Main Avenue, Aztec NM 87410

4. Well Location
Unit Letter L : 1449' feet from the SOUTH line and 344' feet from the WEST line
Unit Letter I 1531' feet from the EAST line and 237' feet from the EAST line
Section 16 Township 23N Range 6W NMPM County: Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6858'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [X] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: [X] SQUEEZE

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/11/15- set Halliburton 4.5" CBP at 6432'
6/12/15- TIH Halliburton 4.5" Composite CMT Retainer, preset @ 1214'. DO CMT Retainer. TIH Halliburton 4.5" Composite CMT Retainer, preset @ 4255' DO CMT Retainer.
6/13/15 TIH Halliburton 4.5" Composite CMT Retainer @ 5977', prsr test backside to 1500 psi, tested good, pump down tbg to test injection, pump 1.5 bpm at 1500 ps good test.

Mix Well Lock and add chemicals, take samples, Well Lock tested normal, pump 1.25 bbls of 2% KCL, follow w/ 1 bbl of 9.5 ppg KCL, pump 6 bbls of Well Lock, follow w/ 1 bbl of 75%/25% 9.5 ppg KCL/Musol, follow w/ 7 bbls of 2% KCL, hold 300 psi on backside, sting into retainer, displace Well Lock into csg hole w/ 12 bbls of 2% KCL, SD pump, sting out of retainer, reverse circ tbg volume to FB tank, pumped total of 22 bbls of fluid, 4 bbls of Well Lock squeezed into formation, 2 bbls of Well Lock plug set in 4.5" csg, estimated Well Lock top at 6247'.

Spud Date: 3/26/15 Rig Release Date: 4/13/15 OIL CONS. DIV DIST. 3 JUN 19 2015

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Permit Tech III DATE 6/18/15

Type or print name Lacey Granillo E-mail address: lacey.granillo@wpxenergy.com PHONE: 505-333-1816

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR DATE 7/2/15 DISTRICT #3

Conditions of Approval (if any):

6/14/15- DO Halliburton 4.5" Composite CMT Retainer at 5977'

DO retainer trash, begin to DO Well Lock stringers, very hard drilling, circ well clean.

6/15/15-6/16/15- DO Well Lock w/ rig pump at 2 bpm to 6400', circ bottoms up, very hard to drill, good returns of Well Lock trash, pieces in various thickness and sizes in returns, very heavy torque while trying to drill Well Lock, circ well clean, SD rig pump.

MIRU Antelope prsr test unit, SU pump prsr increase to 4000 psi, prsr began to drop, SD pump, prsr dropped from 2500 psi to 1000 psi in 4 min BD prsr, inspect BOP stack, found leak from pipe rams, c/o rubbers on pipe rams, SU pump, prsr increase to 2500 psi in 5 min and leveled out, SD pump, prsr dropped to 800 psi in 5 min, SU pump, prsr increase to 2500 psi, continue to pump at 2500 psi for 5 min w/o prsr increase, SD pump, prsr dropped to 400 psi in 10 min, RD Antelope prsr test unit.

MU 2.5" pwr swivel, continue to DO and clean out Well Lock, very hard to drill, returns of thick and thin pieces of Well Lock, very heavy torque while drilling out Well Lock, DO out to 6421', CBP set at 6432', circ well clean, SD rig pump.

Stand back 2.5" pwr swivel, MU TIW valve, chickson, and kelly hose, shut pipe rams, SU rig pump to establish injection rate for squeeze, prsr increased to 3500 psi and dropped 800 psi in 12 min, increase prsr again to 3700 psi, prsr dropped to 1500 psi in 1 hr, unable to establish injection rate due to prsr, displace well w/ clean produced wtr to pit, MIRU Antelope prsr test unit, bypass rig pump, prsr to 4200 psi, prsr dropped to 3400 in 5 min, increase prsr to 4000 psi, prsr dropped 3200 psi in 5 min, increase prsr to 4300 psi, prsr dropped to 1500 in 45 min, BD prsr, RD Antelope prsr test unit.

6/17/15- well is holding a full column of fluid, DO 6' of Well Lock to top of CBP at 6432', DO Halliburton 4.5" CBP at 6432' w/ rig pump at 2 bpm, circ well clean, SD rig pump, stand back swivel.