

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 3160-3 APD form.

Operator Signature Date: 12-28-15

Well information;

Operator WPX, Well Name and Number W Lybrook Unit # 705H

API# 30-045-35748, Section 7, Township 23 N/S, Range 08 E/W

Conditions of Approval:

(See the below checked and handwritten conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 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
- Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- 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.
- 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.

  
\_\_\_\_\_  
NMOCD Approved by Signature

2-28-2016  
Date KC

RECEIVED

DEC 28 2015

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Farmington Field Office  
Bureau of Land Management

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.  
NO-G-1401-1865  
6. If Indian, Allottee or Tribe Name

1a. Type of Work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

7. If Unit or CA Agreement, Name and No.  
WEST LYBROOK UNIT - NMNM135216X  
8. Lease Name and Well No.  
W LYBROOK UNIT #705H

2. Name of Operator  
WPX Energy Production, LLC

9. API Well No.  
30-045-35748

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

3b. Phone No. (include area code)  
(505) 333-1808

10. Field and Pool, or Exploratory  
LYBROOK MANCOS W

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface 1344' FSL & 2233' FEL SEC 7 23N 8W  
At proposed prod. zone 98' FNL & 372' FWL SEC 7 23N 8W

11. Sec., T., R., M., or Blk. and Survey or Area  
SHL: SEC 7 23N 8W  
BHL: SEC 7 23N 8W

14. Distance in miles and direction from nearest town or post office\*  
Approximately 38 miles southeast of Bloomfield, NM

12. County or Parish  
San Juan County  
13. State  
NM

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1344'

16. No. of Acres in lease  
160 acres

17. Spacing Unit dedicated to this well  
200.21 ACRES

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. 20'

19. Proposed Depth  
10432' MD / 5078' TVD

20. BLM/BIA Bond No. on file  
B001576

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
6778' GR

22. Approximate date work will start\*  
April 1, 2016

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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Marie E. Jaramillo* Name (Printed/Typed) Marie E. Jaramillo Date 12/28/15

Title Permit Technician III  
Approved by (Signature) *DJ Manteo* Name (Printed/Typed) Office FFO Date 2/19/16  
Title AFU

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

The well pad surface is under jurisdiction of the BLM and FIMO and is on lease on IA lands and will be twinned with the W LYBROOK UT #706H/745H/746H.

This location has been archaeologically surveyed by La Plata Archeology. Copies of their report have been submitted directly to the BLM, FIMO, BIA & NNHPD.

A new 357.9' on lease access road will be built on IA lands.

A new 3776' on lease pipeline will be built on BLM and IA lands.

Facilities will be remotely located at the 23-8-18D Remote Facilities Pad

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

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

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

NMOCDFV

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<br><b>30-045-35748</b> |  | *Pool Code<br><b>98157</b> | *Pool Name<br>LYBROOK MANCOS W |
| *Property Code<br><b>315250</b>    | *Property Name<br>W LYBROOK UNIT             |                            | *Well Number<br>705H           |
| *GRID No.<br>120782                | *Operator Name<br>WPX ENERGY PRODUCTION, LLC |                            | *Elevation<br>6778             |

<sup>10</sup> Surface Location

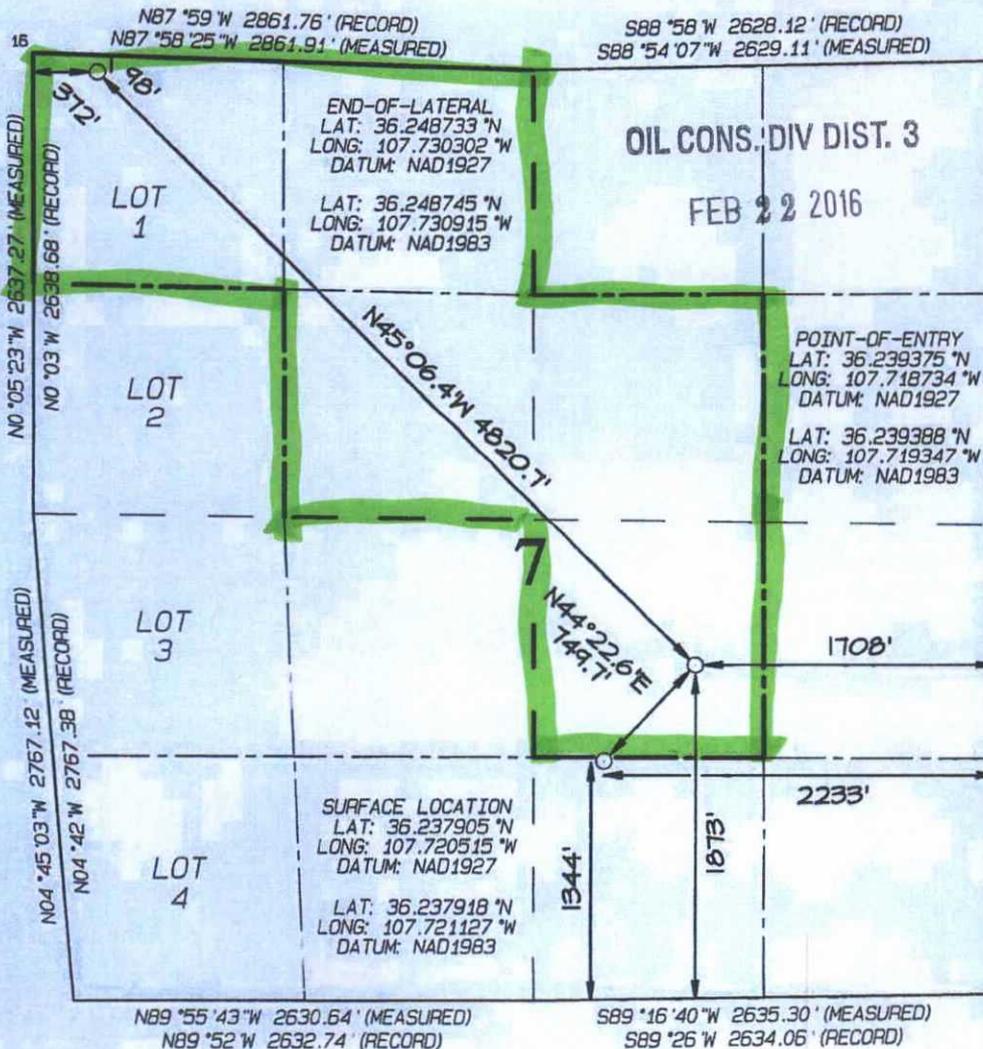
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| 0             | 7       | 23N      | 8W    |         | 1344          | SOUTH            | 2233          | EAST           | SAN JUAN |

<sup>11</sup> 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   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| D             | 7       | 23N      | 8W    | 1       | 98            | NORTH            | 372           | WEST           | SAN JUAN |

|  |                               |                                  |  |
|--|-------------------------------|----------------------------------|--|
| <sup>12</sup> Dedicated Acres<br>200.21 <b>Lot 1, NENW, N/2 NW/4, SE/4 NW/4 SW/4 NE/4, NW/4 SE/4 - Section 7</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No.<br>R-14051 - 12,807.24 Acres |
|--|-------------------------------|----------------------------------|--|

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



<sup>17</sup> 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: *Marie E. Jaramillo*  
Date: 12/28/2015

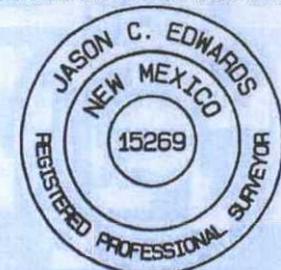
Printed Name: Marie E. Jaramillo  
E-mail Address: marie.jaramillo@wpxenergy.com

<sup>18</sup> 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: DECEMBER 15, 2015  
Date of Survey: MAY 15, 2015

Signature and Seal of Professional Surveyor



**JASON C. EDWARDS**  
Certificate Number 15269



### III. MATERIALS

#### A. CASING PROGRAM:

| CASING TYPE  | OH SIZE (IN) | DEPTH (MD)            | CSG SIZE | WEIGHT   | GRADE          | CONN |
|--------------|--------------|-----------------------|----------|----------|----------------|------|
| SURFACE      | 12.25"       | 320.00'               | 9.625"   | 36 LBS   | J-55 or equiv  | STC  |
| INTERMEDIATE | 8.75"        | 5,611.52'             | 7"       | 23 LBS   | J-55 or equiv  | LTC  |
| PRODUCTION   | 6.125"       | 5461.52' - 10,432.14' | 4.5"     | 11.6 LBS | P-110 or equiv | LTC  |
| TIE BACK     | 6.125"       | Surf. - 5461.52'      | 4.5"     | 11.6 LBS | P-110 or equiv | LTC  |

#### B. FLOAT EQUIPMENT:

- SURFACE CASING:** 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.
- 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 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft. **A DV tool will be placed 100' above the top of the Chacra formation. If cement is circulated back to surface on the first stage, a cancelation device will be dropped to shift the dv tool closed and the 2nd stage cement job will be aborted at that time.**
- 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.

#### C. CEMENTING:

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

- Surface** 5 bbl Fresh Water Spacer, 100 sx (160 cu.ft.) of 14.5 ppg Type I-II (Neat G) + 20% Fly Ash cement w/ 7.41 gal/sack mix water ratio @ 1.61 cu ft/sx yield. Calculated @ volume + 50% excess. WOC 12 hours. Test csg to 600psi. Total Volume: (160 cu-ft/100 sx/ Bbls). TOC at Surface.
- Intermediate**  
STAGE 1: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 109 bbls, 310 sks, (611 cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 89 bbls, 386 sks, (502 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 221 bbl Drilling mud or water.  
Total Cement: 198 bbls, 696 sks, (1113 cuft)  
STAGE 2: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 38 bbls, 109 sks, (212 cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 16 bbls, 78 sks, (90 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 66 bbl Drilling mud or water.  
Total Cement: 54 bbls, 187 sks, (302 cuft)
- PROD. LINER:** Spacer #1: 10 bbl (56 cu-ft) Water Spacer. Spacer #2: 40 bbl 9.5 ppg (224.6 cu-ft) Tuned Spacer III. Spacer #3: 10 bbl Water Spacer. Lead Cement: Extencem™ System. Yield 1.36 cuft/sk 13.3 ppg (487 sx /662 cuft /118 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/- 140 bbl Fr Water. Total Cement (487 sx /662bbls).

I.  
**COMPLETION**

A. **CBL**

Run CCL for perforating

A. **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.

B. **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.

C. **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.

- 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.

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**NOTE:**

**Proposed Operations:**

A 4-1/2" 11.6# P-110 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# J-55 Intermediate casing with a Liner Hanger and pack-off assembly then cemented to top of liner hanger.

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



# **WPX Energy**

T23N R8W

W Lybrook 2308-07O

W Lybrook 2308-07O #705H

Wellbore #1

Plan: Design #1 2Dec15 sam

## **Standard Planning Report**

04 December, 2015

**WPX**  
Planning Report

|                  |                          |                                     |                               |
|------------------|--------------------------|-------------------------------------|-------------------------------|
| <b>Database:</b> | COMPASS                  | <b>Local Co-ordinate Reference:</b> | Well W Lybrook 2308-07O #705H |
| <b>Company:</b>  | WPX Energy               | <b>TVD Reference:</b>               | KB @ 6803.00usft (Aztec 1000) |
| <b>Project:</b>  | T23N R8W                 | <b>MD Reference:</b>                | KB @ 6803.00usft (Aztec 1000) |
| <b>Site:</b>     | W Lybrook 2308-07O       | <b>North Reference:</b>             | True                          |
| <b>Well:</b>     | W Lybrook 2308-07O #705H | <b>Survey Calculation Method:</b>   | Minimum Curvature             |
| <b>Wellbore:</b> | Wellbore #1              |                                     |                               |
| <b>Design:</b>   | Design #1 2Dec15 sam     |                                     |                               |

|                    |                                      |                      |                |
|--------------------|--------------------------------------|----------------------|----------------|
| <b>Project</b>     | T23N R8W                             |                      |                |
| <b>Map System:</b> | US State Plane 1927 (Exact solution) | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | NAD 1927 (NADCON CONUS)              |                      |                |
| <b>Map Zone:</b>   | New Mexico West 3003                 |                      |                |

|                              |                    |                     |                   |                          |             |
|------------------------------|--------------------|---------------------|-------------------|--------------------------|-------------|
| <b>Site</b>                  | W Lybrook 2308-07O |                     |                   |                          |             |
| <b>Site Position:</b>        |                    | <b>Northing:</b>    | 1,905,858.53 usft | <b>Latitude:</b>         | 36.237905   |
| <b>From:</b>                 | Map                | <b>Easting:</b>     | 533,270.52 usft   | <b>Longitude:</b>        | -107.720515 |
| <b>Position Uncertainty:</b> | 0.00 usft          | <b>Slot Radius:</b> | 13.200 in         | <b>Grid Convergence:</b> | 0.07 °      |

|                             |                          |           |                            |                   |                      |               |
|-----------------------------|--------------------------|-----------|----------------------------|-------------------|----------------------|---------------|
| <b>Well</b>                 | W Lybrook 2308-07O #705H |           |                            |                   |                      |               |
| <b>Well Position</b>        | <b>+N/-S</b>             | 0.00 usft | <b>Northing:</b>           | 1,905,858.53 usft | <b>Latitude:</b>     | 36.237905     |
|                             | <b>+E/-W</b>             | 0.00 usft | <b>Easting:</b>            | 533,270.52 usft   | <b>Longitude:</b>    | -107.720515   |
| <b>Position Uncertainty</b> |                          | 0.00 usft | <b>Wellhead Elevation:</b> | 0.00 usft         | <b>Ground Level:</b> | 6,778.00 usft |

|                  |                   |                    |                            |                          |                                |
|------------------|-------------------|--------------------|----------------------------|--------------------------|--------------------------------|
| <b>Wellbore</b>  | Wellbore #1       |                    |                            |                          |                                |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination<br/>(°)</b> | <b>Dip Angle<br/>(°)</b> | <b>Field Strength<br/>(nT)</b> |
|                  | IGRF2010          | 11/1/2015          | 9.28                       | 62.94                    | 50,018                         |

|                          |                                    |                         |                         |                                |
|--------------------------|------------------------------------|-------------------------|-------------------------|--------------------------------|
| <b>Design</b>            | Design #1 2Dec15 sam               |                         |                         |                                |
| <b>Audit Notes:</b>      |                                    |                         |                         |                                |
| <b>Version:</b>          | <b>Phase:</b>                      | PLAN                    | <b>Tie On Depth:</b>    | 0.00                           |
| <b>Vertical Section:</b> | <b>Depth From (TVD)<br/>(usft)</b> | <b>+N/-S<br/>(usft)</b> | <b>+E/-W<br/>(usft)</b> | <b>Direction<br/>(bearing)</b> |
|                          | 0.00                               | 0.00                    | 0.00                    | 323.79                         |

| Plan Sections               |                    |                      |                             |                 |                 |                               |                              |                             |            |                    |
|-----------------------------|--------------------|----------------------|-----------------------------|-----------------|-----------------|-------------------------------|------------------------------|-----------------------------|------------|--------------------|
| Measured<br>Depth<br>(usft) | Inclination<br>(°) | Azimuth<br>(bearing) | Vertical<br>Depth<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Dogleg<br>Rate<br>(°/100usft) | Build<br>Rate<br>(°/100usft) | Turn<br>Rate<br>(°/100usft) | TFO<br>(°) | Target             |
| 0.00                        | 0.00               | 0.00                 | 0.00                        | 0.00            | 0.00            | 0.00                          | 0.00                         | 0.00                        | 0.00       |                    |
| 525.00                      | 0.00               | 0.00                 | 525.00                      | 0.00            | 0.00            | 0.00                          | 0.00                         | 0.00                        | 0.00       |                    |
| 1,306.71                    | 15.63              | 90.43                | 1,297.05                    | -0.80           | 105.99          | 2.00                          | 2.00                         | 0.00                        | 90.43      |                    |
| 4,421.49                    | 15.63              | 90.43                | 4,296.58                    | -7.13           | 945.38          | 0.00                          | 0.00                         | 0.00                        | 0.00       |                    |
| 5,217.40                    | 60.00              | 314.96               | 4,968.71                    | 273.07          | 787.65          | 9.00                          | 5.57                         | -17.02                      | -140.22    | Start 60 Tan #705H |
| 5,277.40                    | 60.00              | 314.96               | 4,998.71                    | 309.79          | 750.88          | 0.00                          | 0.00                         | 0.00                        | 0.00       | End 60 Tan #705H   |
| 5,441.02                    | 74.73              | 314.96               | 5,061.51                    | 416.20          | 644.31          | 9.00                          | 9.00                         | 0.00                        | 0.00       |                    |
| 5,611.52                    | 90.07              | 314.96               | 5,084.00                    | 535.26          | 525.08          | 9.00                          | 9.00                         | 0.00                        | 0.01       | POE #705H          |
| 10,432.14                   | 90.07              | 314.96               | 5,078.00                    | 3,941.59        | -2,885.96       | 0.00                          | 0.00                         | 0.00                        | 0.00       | BHL #705H          |

**WPX**  
Planning Report

|           |                          |                              |                               |
|-----------|--------------------------|------------------------------|-------------------------------|
| Database: | COMPASS                  | Local Co-ordinate Reference: | Well W Lybrook 2308-07O #705H |
| Company:  | WPX Energy               | TVD Reference:               | KB @ 6803.00usft (Aztec 1000) |
| Project:  | T23N R8W                 | MD Reference:                | KB @ 6803.00usft (Aztec 1000) |
| Site:     | W Lybrook 2308-07O       | North Reference:             | True                          |
| Well:     | W Lybrook 2308-07O #705H | Survey Calculation Method:   | Minimum Curvature             |
| Wellbore: | Wellbore #1              |                              |                               |
| Design:   | Design #1 2Dec15 sam     |                              |                               |

| Planned Survey                          |                 |                   |                       |              |              |                         |                         |                        |                       |
|---|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)                   | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 0.00                                    | 0.00            | 0.00              | 0.00                  | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 370.00                                  | 0.00            | 0.00              | 370.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| <b>9 5/8"</b>                           |                 |                   |                       |              |              |                         |                         |                        |                       |
| 500.00                                  | 0.00            | 0.00              | 500.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 525.00                                  | 0.00            | 0.00              | 525.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| <b>Start Build 2.00</b>                 |                 |                   |                       |              |              |                         |                         |                        |                       |
| 1,000.00                                | 9.50            | 90.43             | 997.83                | -0.30        | 39.29        | -23.45                  | 2.00                    | 2.00                   | 0.00                  |
| 1,306.71                                | 15.63           | 90.43             | 1,297.05              | -0.80        | 105.99       | -63.26                  | 2.00                    | 2.00                   | 0.00                  |
| <b>Hold 15.63 Inclination</b>           |                 |                   |                       |              |              |                         |                         |                        |                       |
| 1,500.00                                | 15.63           | 90.43             | 1,483.18              | -1.19        | 158.08       | -94.35                  | 0.00                    | 0.00                   | 0.00                  |
| 2,000.00                                | 15.63           | 90.43             | 1,964.69              | -2.21        | 292.82       | -174.77                 | 0.00                    | 0.00                   | 0.00                  |
| 2,500.00                                | 15.63           | 90.43             | 2,446.19              | -3.22        | 427.56       | -255.19                 | 0.00                    | 0.00                   | 0.00                  |
| 3,000.00                                | 15.63           | 90.43             | 2,927.69              | -4.24        | 562.31       | -335.61                 | 0.00                    | 0.00                   | 0.00                  |
| 3,500.00                                | 15.63           | 90.43             | 3,409.19              | -5.26        | 697.05       | -416.03                 | 0.00                    | 0.00                   | 0.00                  |
| 4,000.00                                | 15.63           | 90.43             | 3,890.69              | -6.27        | 831.80       | -496.45                 | 0.00                    | 0.00                   | 0.00                  |
| 4,421.49                                | 15.63           | 90.43             | 4,296.58              | -7.13        | 945.38       | -564.24                 | 0.00                    | 0.00                   | 0.00                  |
| <b>Start Build DLS 9.00 TFO -140.22</b> |                 |                   |                       |              |              |                         |                         |                        |                       |
| 4,500.00                                | 11.14           | 66.38             | 4,373.00              | -4.17        | 962.93       | -572.22                 | 9.00                    | -5.73                  | -30.63                |
| 5,000.00                                | 40.94           | 320.80            | 4,830.91              | 150.15       | 900.38       | -410.76                 | 9.00                    | 5.96                   | -21.12                |
| 5,217.40                                | 60.00           | 314.96            | 4,968.71              | 273.07       | 787.65       | -244.99                 | 9.00                    | 8.77                   | -2.89                 |
| <b>Hold 60.00 Inclination</b>           |                 |                   |                       |              |              |                         |                         |                        |                       |
| 5,277.40                                | 60.00           | 314.96            | 4,998.71              | 309.79       | 750.88       | -193.64                 | 0.00                    | 0.00                   | 0.00                  |
| <b>Start Build DLS 9.00 TFO 0.00</b>    |                 |                   |                       |              |              |                         |                         |                        |                       |
| 5,441.02                                | 74.73           | 314.96            | 5,061.51              | 416.20       | 644.31       | -44.83                  | 9.00                    | 9.00                   | 0.00                  |
| <b>Start DLS 9.00 TFO 0.01</b>          |                 |                   |                       |              |              |                         |                         |                        |                       |
| 5,500.00                                | 80.03           | 314.96            | 5,074.39              | 456.85       | 603.60       | 12.03                   | 9.00                    | 9.00                   | 0.00                  |
| 5,611.52                                | 90.07           | 314.96            | 5,084.00              | 535.26       | 525.08       | 121.67                  | 9.00                    | 9.00                   | 0.00                  |
| <b>POE at 90.07 Inc 314.96 Deg</b>      |                 |                   |                       |              |              |                         |                         |                        |                       |
| 5,612.00                                | 90.07           | 314.96            | 5,084.00              | 535.60       | 524.74       | 122.15                  | 0.00                    | 0.00                   | 0.00                  |
| <b>7"</b>                               |                 |                   |                       |              |              |                         |                         |                        |                       |
| 6,000.00                                | 90.07           | 314.96            | 5,083.52              | 809.76       | 250.20       | 505.55                  | 0.00                    | 0.00                   | 0.00                  |
| 6,500.00                                | 90.07           | 314.96            | 5,082.89              | 1,163.07     | -103.60      | 999.63                  | 0.00                    | 0.00                   | 0.00                  |
| 7,000.00                                | 90.07           | 314.96            | 5,082.27              | 1,516.38     | -457.40      | 1,493.70                | 0.00                    | 0.00                   | 0.00                  |
| 7,500.00                                | 90.07           | 314.96            | 5,081.65              | 1,869.69     | -811.19      | 1,987.78                | 0.00                    | 0.00                   | 0.00                  |
| 8,000.00                                | 90.07           | 314.96            | 5,081.03              | 2,223.00     | -1,164.99    | 2,481.85                | 0.00                    | 0.00                   | 0.00                  |
| 8,500.00                                | 90.07           | 314.96            | 5,080.40              | 2,576.31     | -1,518.79    | 2,975.93                | 0.00                    | 0.00                   | 0.00                  |
| 9,000.00                                | 90.07           | 314.96            | 5,079.78              | 2,929.62     | -1,872.59    | 3,470.00                | 0.00                    | 0.00                   | 0.00                  |
| 9,500.00                                | 90.07           | 314.96            | 5,079.16              | 3,282.92     | -2,226.38    | 3,964.08                | 0.00                    | 0.00                   | 0.00                  |
| 10,000.00                               | 90.07           | 314.96            | 5,078.54              | 3,636.23     | -2,580.18    | 4,458.15                | 0.00                    | 0.00                   | 0.00                  |
| 10,432.14                               | 90.07           | 314.96            | 5,078.00              | 3,941.59     | -2,885.96    | 4,885.18                | 0.00                    | 0.00                   | 0.00                  |
| <b>TD at 10407.14</b>                   |                 |                   |                       |              |              |                         |                         |                        |                       |

**WPX**  
Planning Report

|                  |                          |                                     |                               |
|------------------|--------------------------|-------------------------------------|-------------------------------|
| <b>Database:</b> | COMPASS                  | <b>Local Co-ordinate Reference:</b> | Well W Lybrook 2308-070 #705H |
| <b>Company:</b>  | WPX Energy               | <b>TVD Reference:</b>               | KB @ 6803.00usft (Aztec 1000) |
| <b>Project:</b>  | T23N R8W                 | <b>MD Reference:</b>                | KB @ 6803.00usft (Aztec 1000) |
| <b>Site:</b>     | W Lybrook 2308-070       | <b>North Reference:</b>             | True                          |
| <b>Well:</b>     | W Lybrook 2308-070 #705H | <b>Survey Calculation Method:</b>   | Minimum Curvature             |
| <b>Wellbore:</b> | Wellbore #1              |                                     |                               |
| <b>Design:</b>   | Design #1 2Dec15 sam     |                                     |                               |

| Design Targets   |                  |                       |               |                 |                 |                    |                   |           |             |
|--|------------------|-----------------------|---------------|-----------------|-----------------|--------------------|-------------------|-----------|-------------|
| Target Name<br>- hit/miss target<br>- Shape  | Dip Angle<br>(°) | Dip Dir.<br>(bearing) | TVD<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Northing<br>(usft) | Easting<br>(usft) | Latitude  | Longitude   |
| Start 60 Tan #705H<br>- plan hits target center<br>- Point   | 0.00             | 0.00                  | 4,968.71      | 273.07          | 787.65          | 1,906,132.52       | 534,057.85        | 36.238655 | -107.717844 |
| End 60 Tan #705H<br>- plan misses target center by 0.01usft at 5277.40usft MD (4998.71 TVD, 309.78 N, 750.88 E)<br>- Point | 0.00             | 0.00                  | 4,998.71      | 309.78          | 750.88          | 1,906,169.19       | 534,021.04        | 36.238756 | -107.717969 |
| BHL #705H<br>- plan hits target center<br>- Point  | 0.00             | 0.00                  | 5,078.00      | 3,941.59        | -2,885.96       | 1,909,796.76       | 530,379.97        | 36.248733 | -107.730303 |
| POE #705H<br>- plan hits target center<br>- Point  | 0.00             | 0.00                  | 5,084.00      | 535.26          | 525.08          | 1,906,394.40       | 533,794.98        | 36.239376 | -107.718735 |

| Casing Points               |                             |      |      |                            |                          |  |
|-----------------------------|-----------------------------|------|------|----------------------------|--------------------------|--|
| Measured<br>Depth<br>(usft) | Vertical<br>Depth<br>(usft) | Name |      | Casing<br>Diameter<br>(in) | Hole<br>Diameter<br>(in) |  |
| 370.00                      | 370.00                      | 9    | 5/8" | 9.625                      | 12.250                   |  |
| 5,612.00                    | 5,084.00                    | 7"   |      | 7.000                      | 8.750                    |  |

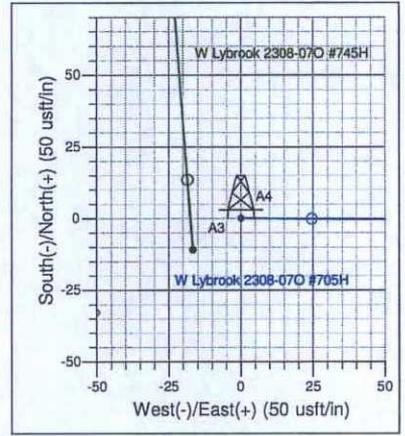
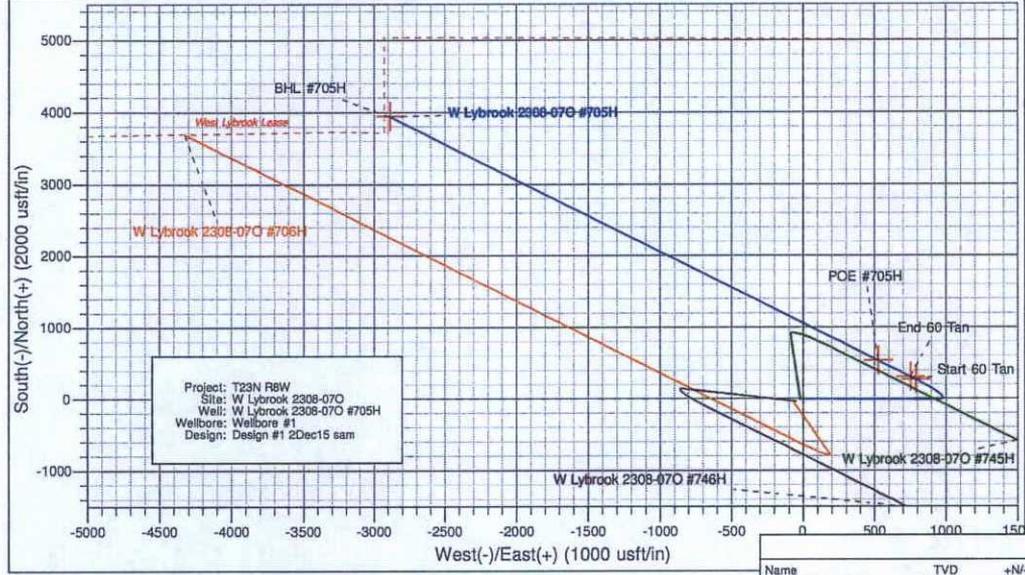
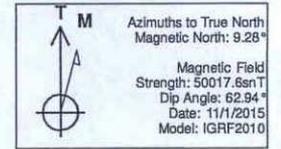
| Plan Annotations            |                             |                   |                 |                                  |  |
|-----------------------------|-----------------------------|-------------------|-----------------|----------------------------------|--|
| Measured<br>Depth<br>(usft) | Vertical<br>Depth<br>(usft) | Local Coordinates |                 | Comment                          |  |
|                             |                             | +N/-S<br>(usft)   | +E/-W<br>(usft) |                                  |  |
| 525.00                      | 525.00                      | 0.00              | 0.00            | Start Build 2.00                 |  |
| 1,306.71                    | 1,297.05                    | -0.80             | 105.99          | Hold 15.63 Inclination           |  |
| 4,421.49                    | 4,296.58                    | -7.13             | 945.38          | Start Build DLS 9.00 TFO -140.22 |  |
| 5,217.40                    | 4,968.71                    | 273.07            | 787.65          | Hold 60.00 Inclination           |  |
| 5,277.40                    | 4,998.71                    | 309.79            | 750.88          | Start Build DLS 9.00 TFO 0.00    |  |
| 5,441.02                    | 5,061.51                    | 416.20            | 644.31          | Start DLS 9.00 TFO 0.01          |  |
| 5,611.52                    | 5,084.00                    | 535.26            | 525.08          | POE at 90.07 Inc 314.96 Deg      |  |
| 10,432.14                   | 5,078.00                    | 3,941.59          | -2,885.96       | TD at 10407.14                   |  |



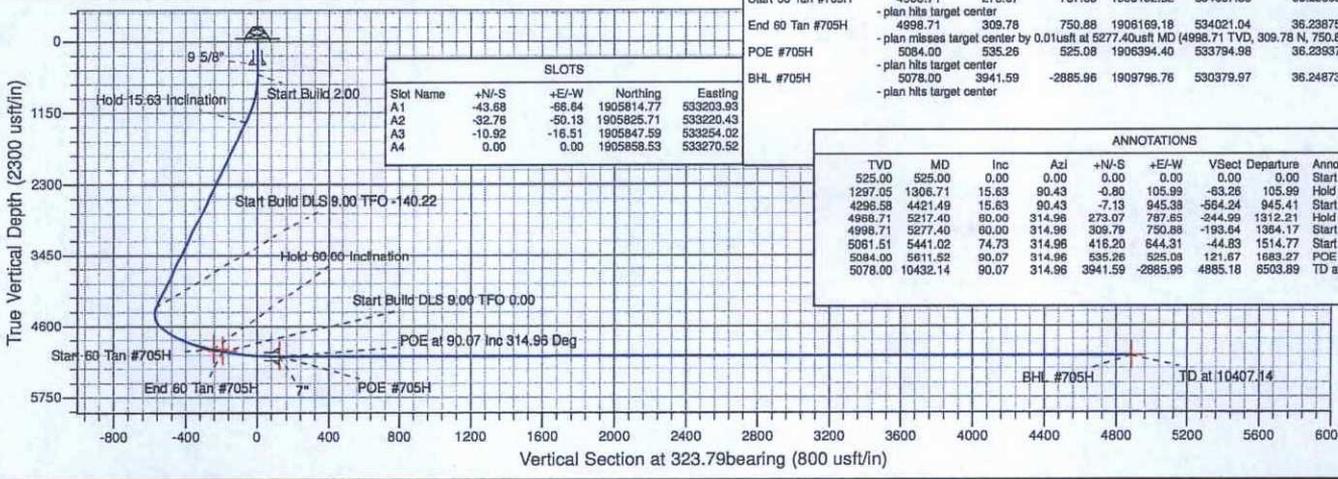
Well Name: W Lybrook 2308-070 #705H  
 Surface Location: W Lybrook 2308-070  
 NAD 1927 (NADCON CONUS), US State Plane 1927 (Exact solution) New Mexico West 3003  
 Ground Elevation: 6778.00

| +N/-S | +E/-W | Northing   | Easting   | Latitude  | Longitude   | Slot |
|-------|-------|------------|-----------|-----------|-------------|------|
| 0.00  | 0.00  | 1905858.53 | 533270.52 | 36.237905 | -107.720515 |      |

KB @ 6803.00usft (Aztec 1000)



| Name               | TVD     | +N/-S   | +E/-W    | Northing   | Easting   | Latitude  | Longitude   | Shape |
|--------------------|---------|---------|----------|------------|-----------|-----------|-------------|-------|
| Start 60 Tan #705H | 4968.71 | 273.07  | 787.65   | 1906132.52 | 534057.65 | 36.238955 | -107.717844 | Point |
| End 60 Tan #705H   | 4998.71 | 309.78  | 750.88   | 1906169.18 | 534021.04 | 36.238756 | -107.717969 | Point |
| POE #705H          | 5064.00 | 535.26  | 525.08   | 1906394.40 | 533794.98 | 36.239375 | -107.718734 | Point |
| BHL #705H          | 5078.00 | 394.159 | -2885.96 | 1909796.76 | 530379.97 | 36.248733 | -107.730302 | Point |



| Slot Name | +N/-S  | +E/-W  | Northing   | Easting   |
|-----------|--------|--------|------------|-----------|
| A1        | -43.68 | -66.64 | 1905814.77 | 533203.93 |
| A2        | -32.76 | -50.13 | 1905825.71 | 533220.43 |
| A3        | -10.92 | -16.51 | 1905847.59 | 533254.02 |
| A4        | 0.00   | 0.00   | 1905858.53 | 533270.52 |

| TVD     | MD       | Inc   | Azi    | +N/-S   | +E/-W    | VSec    | Departure | Annotation                      |
|---------|----------|-------|--------|---------|----------|---------|-----------|---------------------------------|
| 525.00  | 525.00   | 0.00  | 0.00   | 0.00    | 0.00     | 0.00    | 0.00      | Start Build 2.00                |
| 1297.05 | 1306.71  | 15.63 | 90.43  | -0.80   | 105.99   | -83.26  | 105.99    | Hold 15.63 Inclin               |
| 4296.58 | 4421.49  | 15.63 | 90.43  | -7.13   | 945.38   | -564.24 | 945.41    | Hold Build DLS 9.00 TFO -140.22 |
| 4968.71 | 5217.40  | 60.00 | 314.96 | 273.07  | 787.65   | -244.99 | 1312.21   | Hold 60.00 Inclin               |
| 4998.71 | 5277.40  | 60.00 | 314.96 | 309.78  | 750.88   | -193.54 | 1394.17   | Start Build DLS 9.00 TFO 0.00   |
| 5061.51 | 5441.02  | 74.73 | 314.96 | 415.20  | 644.31   | -44.93  | 1514.77   | Start DLS 9.00 TFO 0.01         |
| 5084.00 | 5611.52  | 90.07 | 314.96 | 535.26  | 525.08   | 121.67  | 1683.27   | POE at 90.07 Inc 314.96 Deg     |
| 5078.00 | 10432.14 | 90.07 | 314.96 | 3941.59 | -2885.96 | 4885.18 | 8503.89   | TD at 10407.14                  |

## 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 Figures 4a and 4b 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, stored, transported, or disposed of annually in association with the drilling, testing, or completing of these wells.
  2. No extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of these wells.
  3. All fluids (i.e., scrubber cleaners) used during washing of production equipment will be properly disposed of to avoid ground contamination or hazard to livestock or wildlife.
- G. Produced Water:
1. WPX Energy will dispose of produced water from this well at one of the following facilities:
    - a. Lybrook Yard WDW #1, API #30-039-27533, NMOCD permit #SWD-907, operated by Elm Ridge Resources, located in NE  $\frac{1}{4}$ , Section 14, Township 23 North, Range 7 West
    - b. Jillson Federal #1, NMOCD order #R-10168, operated by ConocoPhillips, located in NW  $\frac{1}{4}$ , Section 8, Township 24 North, Range 3 West
    - c. Basin Disposal, permit #NM-01-005, located in the NW  $\frac{1}{4}$ , Section 3, Township 29 North, Range 11 West
    - d. Sunco SWD #001, API #30-045-28653, NMOCD permit SWD-457, operated by Key Energy, located in NW  $\frac{1}{4}$ , Section 2, Township 29 North, Range 12 West

**Directions from the Intersection of US Hwy 550 & US Hwy 64  
in Bloomfield, NM to WPX Energy Production, LLC Remote Facilities Pad 23-8-18D**

**451' FNL & 896' FWL, Section 18, T23N, R8W, N.M.P.M., San Juan County, NM**

**Latitude: 36.232985°N Longitude: 107.728379°W Datum: NAD1983**

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Southerly on US Hwy 550 for 37.8 miles to Mile Marker 113.4;

Go Right (South-westerly) on County Road #7890 for 0.8 miles to new access on left-hand side of existing roadway which continues for 110.8' to staked WPX Remote Facilities Pad 23-8-18D location.

3,000 PSI rated Choke system

