### State of New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez** 

Governor

**David Martin Cabinet Secretary**  David R. Catanach Division Director Oil Conservation Division



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

NMOCD Approved by Signature

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 # 746 H  |
| API# 30.045-35751, 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 for NSL) NSP, DHC   |
| <ul> <li>Spacing rule violation. Operator must follow up with change of status notification on other well<br/>to be shut in or abandoned</li> </ul>  |
| <ul> <li>Regarding the use of a pit, closed loop system or below grade tank, the operator must comply<br/>with the following as applicable:</li> </ul>   |
| <ul> <li>A pit requires a complete C-144 be submitted and approved prior to the construction or<br/>use of the pit, pursuant to 19.15.17.8.A</li> </ul>  |
| A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A  |
| <ul> <li>A below grade tank requires a registration be filed prior to the construction or use of the<br/>below grade tank, pursuant to 19.15.17.8.C</li> </ul>   |
| <ul> <li>Once the well is spud, to prevent ground water contamination through whole or partial conduits<br/>from the surface, the operator shall drill without interruption through the fresh water zone or<br/>zones and shall immediately set in cement the water protection string</li> </ul> |
| 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.  |
|  |

Form 3160-3 (September 2001)

UNITED STATES

DEC 2 8 2015

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

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Farmington Field Offic
Bureau of Land Management

d Office 5. Lease Serial No.

|   |     | N0-G-1401-1865<br>If Indian, Allottee or Tribe Name |
|---|-----|---|
| ١ | erg | If Indian, Allottee or Tribe Name                   |

| Trype of Work:   DRILL   | APPLICATION FOR PERMIT T   | O DRILL OR REENTER   |   | 6. If Indian, Allottee or  | Tribe Name   |  |  |  |
|--|--|--|---|----------------------------|--|--|--|--|
| Single Zone   Multiple Zone    | la. Type of Work: DRILL RE   | ENTER  | ¥.  |                            | A THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN |  |  |  |
| WPX Energy Production, LLC  3a. Address P.O. Box 640 Aztec, NM 87410 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location of some proposed of location of some proposed source of some proposed source of location location of location l | 1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other  | b. Type of Well.   |   |                            |  |  |  |  |
| 3a. Address P.O. Box 640 Aztec, NM 87410 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 4. Location of Well (Report location from nearest town or post office* Approximately 38 miles southeast of Bloomfield, NM  15. Distance from proposed* location to nearest growing unit line, if any) 1311, 160 acres  16. No. of Acres in lease location to nearest ding unit line, if any) 1311, 160 acres  17. Spacing Unit dedicated to this well 360' ACRES  18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 20' 13861' MD / 4943' TVD B001576  21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start*  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:  24. A Drilling Plan.  3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filled with the appropriate Forest Service Office).  Name (PrintedTyped)  Marie Jaramillo  Name (PrintedTyped)  Marie Jaramillo  Name (PrintedTyped)  Marie Jaramillo   | ***************************************  |  |   |                            | -35751   |  |  |  |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.*)  At surface 1311' FSL & 2284' FEL SEC 7 23N 8W  At proposed prod. 2one 330' FSL & 1857' FEL SEC 17 23N 8W  4. Distance in miles and direction from nearest town or post office*  Approximately 38 miles southeast of Bloomfield, NM  15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1311', 160 acres  18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  20'  21. Elevations (Show whether DF, KDB, RT, GL, etc.)  6778' GR  24. Attachments  The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:  4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).  5. Operator certification.  Supposed Permit Technician III  Marie Jaramillo  11. Sec., T., R., M., or Blk. and Survey or Area SHL: SEC 7 23N 8W  BHL: SEC 17 23N |  | 3b. Phone No. (include ar  | ea code)  | 10. Field and Pool, or Exp | loratory   |  |  |  |
| At surface 1311' FSL & 2284' FEL SEC 7 23N 8W At proposed prod. zone 330' FSL & 1857' FEL SEC 17 23N 8W  14. Distance in miles and direction from nearest town or post office*  Approximately 38 miles southeast of Bloomfield, NM  15. Distance from proposed* location to nearest property or lease line, ft. (Als ot nearest quilt line, if any) 1311',  16. No. of Acres in lease location to nearest property or lease line, ft. (Als ot nearest drig unit line, if any) 1311',  18. Distance from proposed location* to nearest mell, drilling, completed, applied for, on this lease, ft. 20',  20. 13861' MD / 4943' TVD B001576  21. Elevations (Show whether DF, KDB, RT, GL, etc.) April 1, 2016  22. Approximate date work will start*  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).  April 1, 2016  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.  Name (PrintedTyped)  Marie Jaramillo  Name (PrintedTyped)  Marie Jaramillo   | P.O. Box 640 Aztec, NM 87410   | LYBROOK MANCOS   | s w   |                            |  |  |  |  |
| Approximately 38 miles southeast of Bloomfield, NM  15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1311',  16. No. of Acres in lease  17. Spacing Unit dedicated to this well 360' ACRES  18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  20'  13861' MD / 4943' TVD  B001576  FEB 2 2 2016  21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6778' GR  April 1, 2016  24. Attachments  The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:  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.  Name (PrintedTyped) Marie Jaramillo  Name (PrintedTyped) Marie Jaramillo  | At surface 1311' FSL & 2284' FEL SEC 7 23N 8W  |  |   | SHL: SEC 7 23N 8W          | 7  |  |  |  |
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| Title Permit Technician III  | <ul><li>2. A Drilling Plan.</li><li>3. A Surface Use Plan (if the location is on National Forest S</li></ul>   | ystem Lands, the 5. Operation of the best such that | 20 above).<br>tor certification.<br>other site specific in: | 100                        |  |  |  |  |
| Permit Technician III 1/1/2  | May h Jayan  |  | ed)   |                            |  |  |  |  |
|  |  |  |   |                            | ,  |  |  |  |
|  |  | Name (Printed/Typ  | ed)   | Da                         | te / 1/1/  |  |  |  |

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.

Office

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)

Title

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 #705H/706H/745H.

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 3835.4' on lease pipeline will be built on BLM and IA lands.

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

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

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
NMOCOTHORIZATION, REQUIRED FOR OPERATIONS
FEDERAL AND INDIAN LANDS

District I 1625 N. French Drive, Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 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

30-045-

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

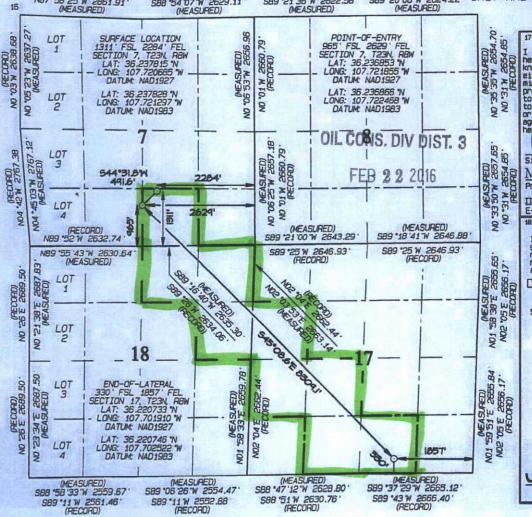
#### WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name LYBROOK MANCOS W Property Name Well Number

Property Code W LYBROOK UNIT 746H Elevation OGRID No. "Operator Name 120782 WPX ENERGY PRODUCTION, LLC 6778

10 Surface Location Section Feet from the North/South line Feet from the SOUTH SAN JUAN 7 23N BW 2284 EAST 0 1311 11 Bottom Hole Location If Different From Surface

North/South line County UL or lot no Feet from the 0 17 23N 8W 330 SOUTH 1857 EAST SAN JUAN Joint or Tofill Dedicated Consolidation Code SW/4 SE/4 - Section 7 R-14051 12.807.24 Acres 360.00 SW/4 NW/4, N/2 SW/4 SE/4 SW/4, SW/4 SE/4 - Section 17 N/2 NE/4, SE/4 NE/4 - Section 18 360.00

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD (RECORD) SB9 "24"W 2622.B4" (RECORD) NB7 \*59 W 2861.76 (RECORD) S88 \*58 W 2628.12 ' S88 \*54 '07 'W 2629.11 ' (MEASURED) (RECORD) 589 \*24 W 2522.84 UNIT HAS BEEN APPROVED BY THE DIVISION NB7 \*58 '25"W 2861.91" (MEASURED) S89 \*21 '36 "W 2622.58 ' (MEASURED) S89 \*20 '06 "W 2624.22 ' (MEASURED)



" OPERATOR CERTIFICATION "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
agrisement or a compulsory, gooling order
heretofore entered by the division.

12/28/2015

Marie E. Jaramillo Printed Name

marie.jaramillo@wpxenergy.com E-mail Address

\*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



Certificate Number 15269



#### **WPX Energy**

#### **Operations Plan**

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

<u>Date:</u> December 28, 2015 <u>Field:</u> Lybrook Mancos W

Well Name: W Lybrook Unit #746 Surface: IA

SH Location: SWSE Sec 7-23N-08W <u>Elevation:</u> 6778' GR

BH Location: SWSE Sec 17-23N-08W Minerals: IA

Measured Depth: 13,861.37'

I. GEOLOGY: SURFACE FORMATION - NACIMIENTO

A. FORMATION TOPS (KB)

| NAME   | MD    | TVD   | NAME          | MD        | TVD      |
|--|-------|-------|---------------|-----------|----------|
| TO STATE OF THE ST |       |       |               |           |          |
| OJO ALAMO  | 763   | 763   | POINT LOOKOUT | 3,827     | 3,750    |
| KIRTLAND   | 973   | 971   | MANCOS        | 4,019     | 3,937    |
| PICTURED CLIFFS  | 1,357 | 1,347 | GALLUP        | 2,560     | 4,286    |
| LEWIS  | 1,472 | 1,458 | KICKOFF POINT | 4,355.69  | 4,264.13 |
| CHACRA   | 1,738 | 1,717 | TOP TARGET    | 5,313     | 5,013    |
| CLIFF HOUSE  | 2,843 | 2,792 | LANDING POINT | 5,551.64  | 5,054.00 |
| MENEFEE  | 2,893 | 2,841 | BASE TARGET   | 5,551.64  | 5,054.00 |
|  |       |       | TD            | 13,861.37 | 4,943.00 |

- 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. <u>MUD PROGRAM:</u> 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. <u>BOP TESTING:</u> 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.

#### 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"        | 5,551.64'            | 7"       | 23 LBS   | J-55 or equiv  | LTC  |
| PRODUCTION   | 6.125"       | 5401.64' - 13,861.37 | 4.5"     | 11.6 LBS | P-110 or equiv | LTC  |
| TIE BACK     | 6.125"       | Surf 5401.64'        | 4.5"     | 11.6 LBS | P-110 or equiv | LTC  |

#### B. FLOAT EQUIPMENT:

- 1. <u>SURFACE CASING:</u> 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.
- 2. <u>INTERMEDIATE CASING:</u> 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.
- 3. <u>PRODUCTION LINER:</u> 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)

- 1. 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.
- 2.Intermediate

  STAGE 1: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 107 bbls, 306 sks, (603 cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 89 bbls, 383 sks, (498 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 219 bbl Drilling mud or water.

  Total Cement: 196 bbls, 689 sks, (1101 cuft)

  STAGE 2: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 37 bbls, 105 sks, (205 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/ +/- 64 bbl Drilling mud or water.

  Total Cement: 53 bbls, 184 sks, (296 cuft)
- 3. 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 (829 sx /1127 cuft /201 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/- 140 bbl Fr Water. Total Cement (829 sx /1127bbls).

## 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. <u>Production Tubing:</u> 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.

#### 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 #746H

Wellbore #1

Plan: Design #1 2Dec15 sam

# **Standard Planning Report**

04 December, 2015

#### **WPX**

#### Planning Report

Database: Company:

COMPASS WPX Energy

**T23N R8W** Project: Site: W Lybrook 2308-070 W Lybrook 2308-070 #746H

Well: Wellbore:

Wellbore #1 Design #1 2Dec15 sam Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well W Lybrook 2308-070 #746H

KB @ 6803.00usft (Aztec 1000) KB @ 6803.00usft (Aztec 1000)

Minimum Curvature

Project

**T23N R8W** 

Map System: Geo Datum: Map Zone:

US State Plane 1927 (Exact solution) NAD 1927 (NADCON CONUS)

New Mexico West 3003

System Datum:

Mean Sea Level

Site

W Lybrook 2308-070

Site Position: From: Position Uncertainty:

Мар

Easting:

0.00 usft

Northing: 1,905,858.53 usft 533,270.52 usft

13.200 in Grid Convergence:

Latitude: Longitude:

36.237905 -107.720515

0.07

Well

W Lybrook 2308-070 #746H

Well Position +N/-S

+E/-W

-32.76 usft -50.13 usft Northing: Easting:

Slot Radius:

1,905,825.71 usft 533,220.43 usft

Latitude: Longitude:

36.237815 -107.720685

**Position Uncertainty** 

0.00 usft

IGRF2010

Design #1 2Dec15 sam

Wellhead Elevation:

11/1/2015

0.00 usft

Ground Level:

6,778.00 usft

Wellbore Wellbore #1

Magnetics Model Name

Sample Date

Declination (°) 9.28 Dip Angle (°)

Field Strength (nT)

50,017

Design **Audit Notes:** 

Version: Phase:

PLAN

Tie On Depth:

0.00

62.94

Vertical Section:

Depth From (TVD) (usft) 0.00

+N/-S (usft) 0.00

+E/-W (usft) 0.00

Direction (bearing) 138.31

| Measured<br>Depth<br>(usft) | Inclination (°) | Azimuth (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       |                    |
| 1,192.72                    | 13.35           | 282.64            | 1,186.69                    | 16.95           | -75.59          | 2.00                          | 2.00                         | 0.00                        | 282.64     |                    |
| 4,355.69                    | 13.35           | 282.64            | 4,264.13                    | 176.82          | -788.44         | 0.00                          | 0.00                         | 0.00                        | 0.00       |                    |
| 5,149.76                    | 60.00           | 135.19            | 4,938.77                    | -81.41          | -612.10         | 9.00                          | 5.87                         | -18.57                      | -150.57    | Start 60 Tan #746h |
| 5,209.76                    | 60.00           | 135.19            | 4,968.77                    | -118.27         | -575.48         | 0.00                          | 0.00                         | 0.00                        | 0.00       | End 60 Tan #746H   |
| 5,410.35                    | 78.06           | 135.30            | 5,040.26                    | -250.73         | -444.14         | 9.01                          | 9.01                         | 0.05                        | 0.35       |                    |
| 5,551.64                    | 90.77           | 134.92            | 5,054.00                    | -350.15         | -345.10         | 8.99                          | 8.99                         | -0.26                       | -1.69      | POE #746H          |
| 13,861.37                   | 90.77           | 134.92            | 4,943.00                    | -6,217.68       | 5,538.04        | 0.00                          | 0.00                         | 0.00                        | 0.00       | BHL #746H          |

## WPX

#### Planning Report

Database: Company: Project: COMPASS WPX Energy T23N R8W

Site: Well: W Lybrook 2308-070 W Lybrook 2308-070 #746H

Wellbore: Wellbore #1

Design: Design #1 2Dec15 sam

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well W Lybrook 2308-070 #746H KB @ 6803.00usft (Aztec 1000)

KB @ 6803.00usft (Aztec 1000) True

Minimum Curvature

| d Survey   |   |                   |                             |   |                 |                               |                               |                              |                             |
|--|---|-------------------|-----------------------------|---|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| Measured<br>Depth<br>(usft)                                  | Inclination (°)   | Azimuth (bearing) | Vertical<br>Depth<br>(usft) | +N/-S<br>(usft)                         | +E/-W<br>(usft) | Vertical<br>Section<br>(usft) | Dogleg<br>Rate<br>(°/100usft) | Build<br>Rate<br>(°/100usft) | Turn<br>Rate<br>(°/100usft) |
| 0.00   | 0.00  | 0.00              | 0.00                        | 0.00                                    | 0.00            | 0.00                          | 0.00                          | 0.00                         | 0.00                        |
| 345.00<br>9 5/8"   | 0.00  | 0.00              | 345.00                      | 0.00                                    | 0.00            | 0.00                          | 0.00                          | 0.00                         | 0.00                        |
| 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                        |
|  | CONT. CALL  | 0.00              | 020.00                      | 0.00                                    | 0.00            | 0.00                          | 0.00                          | 0,00                         | 0.00                        |
| 1,000.00   | 9.50  | 282.64            | 997.83                      | 8.60                                    | -38.34          | -31.92                        | 2.00                          | 2.00                         | 0.00                        |
| TO SHOULD SHOW THE   |   |                   |                             |   |                 |                               |                               |                              |                             |
| 1,192.72   | 13.35   | 282.64            | 1,186.69                    | 16.95                                   | -75.59          | -62.93                        | 2.00                          | 2.00                         | 0.00                        |
| Hold 13.35 lr  | CALL DISCOURSE OF THE PARTY OF |                   |                             |   |                 |                               |                               |                              | The Part of the             |
| 1,500.00   | 13.35   | 282.64            | 1,485.66                    | 32.48                                   | -144.84         | -120.59                       | 0.00                          | 0.00                         | 0.00                        |
| 2,000.00   | 13.35   | 282.64            | 1,972.14                    | 57.76                                   | -257.53         | -214.41                       | 0.00                          | 0.00                         | 0.00                        |
| 2,500.00   | 13.35   | 282.64            | 2,458.62                    | 83.03                                   | -370.21         | -308.24                       | 0.00                          | 0.00                         | 0.00                        |
| 3,000.00   | 13.35   | 282.64            | 2,945.10                    | 108.30                                  | -482.90         | -402.06                       | 0.00                          | 0.00                         | 0.00                        |
| 3,500.00   | 13.35   | 282.64            | 3,431.58                    | 133.57                                  | -595.59         | -495.88                       | 0.00                          | 0.00                         | 0.00                        |
| 4,000.00   | 13.35   | 282.64            | 3,918.06                    | 158.85                                  | -708.28         | -589.70                       | 0.00                          | 0.00                         | 0.00                        |
| 4,355.69   | 13.35   | 282.64            | 4,264.13                    | 176.82                                  | -788.44         | -656.45                       | 0.00                          | 0.00                         | 0.00                        |
|  | LS 9.00 TFO -18   | 50.57             |                             |   |                 |                               |                               |                              |                             |
| 4,500.00   | 6.65  | 210.04            | 4,406.62                    | 173.23                                  | -808.97         | -667.41                       | 9.00                          | -4.65                        | -50.31                      |
| 5,000.00   | 46.66   | 137.59            | 4,849.53                    | 5.20                                    | -694.91         | -466.08                       | 9.00                          | 8.00                         | -14.49                      |
| 5,149.76   | 60.00   | 135.19            | 4,938,77                    | -81.41                                  | -612.10         | -346.33                       | 9.00                          | 8.91                         | -1.61                       |
| Hold 60.00 Ir  | - 32 2hrks 1  | 100,10            | Established                 |   |                 | Dan Health                    |                               | THE SHOPE                    |                             |
| 5,209.76   | 60.00   | 135.19            | 4,968.77                    | -118.27                                 | -575.48         | -294.44                       | 0.00                          | 0.00                         | 0.00                        |
| Start Build D  | LS 9.01 TFO 0.3   | 35                |                             |   | T TO SHOW       | WIND THE REAL PROPERTY.       | T11100.5                      |                              | and the second              |
| 5,410.35   | 78.06   | 135.30            | 5,040.26                    | -250.73                                 | -444.14         | -108.17                       | 9.01                          | 9.01                         | 0.05                        |
| Start DLS 8.5  | 99 TFO -1 69  |                   |                             | 100000000000000000000000000000000000000 |                 | TO SHOW                       |                               | AND RESIDENCE                | A PERSONAL PROPERTY.        |
| 5,500.00   | 86.12   | 135.06            | 5,052.58                    | -313.66                                 | -381.59         | -19.58                        | 8.99                          | 8.99                         | -0.27                       |
| 5,551.00   | 90.71   | 134.93            | 5,053.99                    | -349.70                                 | -345.55         | 31.30                         | 8.99                          | 8.99                         | -0.26                       |
| 7"   | 30.71   | 104.50            | 0,000.00                    | -348.70                                 | -545.55         | 31.50                         | 0.00                          | 0.00                         | -0.20                       |
| The second second  |   |                   |                             |   |                 |                               |                               |                              |                             |
| 5,551.64   | 90.77   | 134.92            | 5,054.00                    | -350.15                                 | -345.10         | 31.94                         | 8.99                          | 8.99                         | -0.26                       |
| THE RESERVE THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER. | Inc 134.92 Deg  |                   |                             |   |                 |                               |                               |                              |                             |
| 6,000.00   | 90.77   | 134.92            | 5,048.01                    | -666.74                                 | -27.67          | 479.48                        | 0.00                          | 0.00                         | 0.00                        |
| 6,500.00   | 90.77   | 134.92            | 5,041.33                    | -1,019.79                               | 326.32          | 978.56                        | 0.00                          | 0.00                         | 0.00                        |
| 7,000.00   | 90.77   | 134.92            | 5,034.65                    | -1,372.84                               | 680.31          | 1,477.64                      | 0.00                          | 0.00                         | 0.00                        |
| 7,500.00   | 90.77   | 134.92            | 5,027.97                    | -1,725.89                               | 1,034.30        | 1,976.73                      | 0.00                          | 0.00                         | 0.00                        |
| 8,000.00   | 90.77   | 134.92            | 5,021.30                    | -2,078.94                               | 1,388.29        | 2,475.81                      | 0.00                          | 0.00                         | 0.00                        |
| 8,500.00   | 90.77   | 134.92            | 5,014.62                    | -2,432.00                               | 1,742.29        | 2,974.89                      | 0.00                          | 0.00                         | 0.00                        |
| 9,000.00   | 90.77   | 134.92            | 5,007.94                    | -2,785.05                               | 2,096.28        | 3,473.97                      | 0.00                          | 0.00                         | 0.00                        |
| 9,500.00   | 90.77   | 134.92            | 5,001.26                    | -3,138.10                               | 2,450.27        | 3,973.06                      | 0.00                          | 0.00                         | 0.00                        |
| 10,000.00  | 90.77   | 134.92            | 4,994.58                    | -3,491.15                               | 2,804.26        | 4,472.14                      | 0.00                          | 0.00                         | 0.00                        |
| 10,500.00  | 90.77   | 134.92            | 4,987.90                    | -3,844.21                               | 3,158.25        | 4,971.22                      | 0.00                          | 0.00                         | 0.00                        |
| 11,000.00  | 90.77   | 134.92            | 4,981.22                    | -4,197.26                               | 3,512.24        | 5,470.31                      | 0.00                          | 0.00                         | 0.00                        |
| 11,500.00  | 90.77   | 134.92            | 4,974.54                    | -4,550.31                               | 3,866.23        | 5,969.39                      | 0.00                          | 0.00                         | 0.00                        |
|  |   | 134.92            | 4,967.86                    | -4,903.36                               |                 |                               |                               | 0.00                         | 0.00                        |
| 12,000.00  | 90.77   |                   |                             |   | 4,220.22        | 6,468.47                      | 0.00                          |                              |                             |
| 12,500.00  | 90.77   | 134.92            | 4,961.19                    | -5,256.41                               | 4,574.21        | 6,967.56                      | 0.00                          | 0.00                         | 0.00                        |
| 13,000.00  | 90.77   | 134.92            | 4,954.51                    | -5,609.47                               | 4,928.20        | 7,466.64                      | 0.00                          | 0.00                         | 0.00                        |
| 13,500.00  | 90.77   | 134.92            | 4,947.83                    | -5,962.52                               | 5,282.20        | 7,965.72                      | 0.00                          | 0.00                         | 0.00                        |
| 13,861.37  | 90.77   | 134.92            | 4,943.00                    | -6,217.68                               | 5,538.04        | 8,326.43                      | 0.00                          | 0.00                         | 0.00                        |

#### **WPX**

#### Planning Report

Database: Company: Project: COMPASS WPX Energy T23N R8W

 Site:
 W Lybrook 2308-07O

 Well:
 W Lybrook 2308-07O #746H

Wellbore: Wellbore #1

Design: Design #1 2Dec15 sam

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well W Lybrook 2308-070 #746H

KB @ 6803.00usft (Aztec 1000) KB @ 6803.00usft (Aztec 1000)

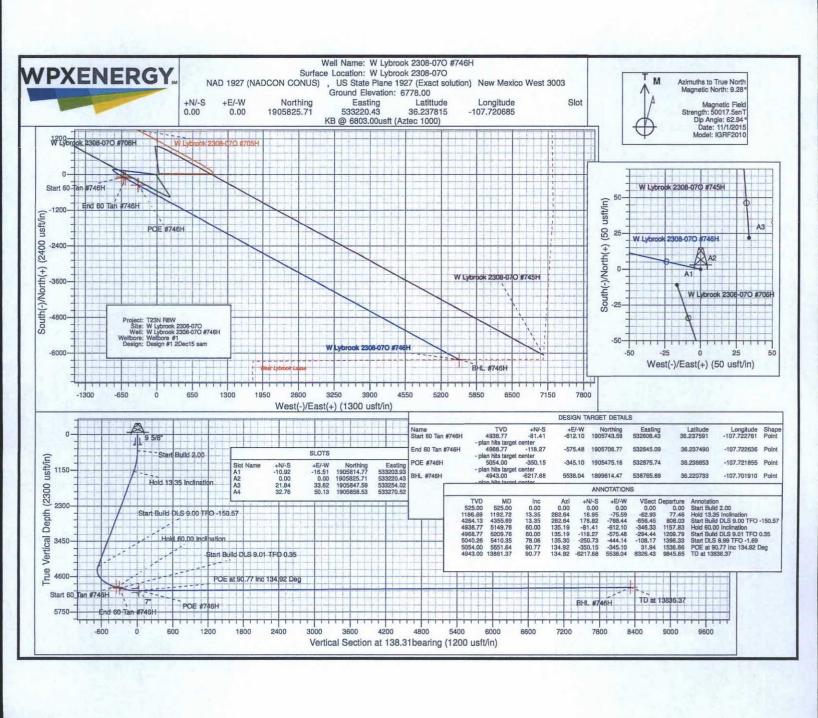
True

Minimum Curvature

| Design Targets                                     |                       |                       |                          |                         |                          |                          |                   |           |             |
|--|-----------------------|-----------------------|--------------------------|-------------------------|--------------------------|--------------------------|-------------------|-----------|-------------|
| Target Name - hit/miss target - Shape              | Dip Angle             | 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 #746H - plan hits target cent - Point | 0.00<br>er            | 0.00                  | 4,938.77                 | -81.41                  | -612.10                  | 1,905,743.59             | 532,608.43        | 36.237591 | -107.722761 |
| BHL #746H<br>- plan hits target cent<br>- Point    | 0.00<br>er            | 0.00                  | 4,943.00                 | -6,217.68               | 5,538.04                 | 1,899,614.47             | 538,765.69        | 36.220733 | -107.701910 |
| End 60 Tan #746H - plan hits target cente - Point  | 0.00<br>er            | 0.00                  | 4,968.77                 | -118.27                 | -575,48                  | 1,905,706.77             | 532,645.09        | 36.237490 | -107.722637 |
| POE #746H<br>- plan misses target c<br>- Point     | 0.00<br>enter by 0.02 | 0.00<br>Pusft at 5551 | 5,054.00<br>.64usft MD ( | -350.15<br>5053.98 TVD, | -345.10<br>-350.15 N, -3 | 1,905,475.16<br>45.09 E) | 532,875.74        | 36.236853 | -107.721855 |

| asing Points |                       |                             |        |      |                            |                          |
|--------------|-----------------------|-----------------------------|--------|------|----------------------------|--------------------------|
|              | Measured Depth (usft) | Vertical<br>Depth<br>(usft) |        | Name | Casing<br>Diameter<br>(in) | Hole<br>Diameter<br>(in) |
|              | 345.00                | 345.00                      | 9 5/8" |      | 9.625                      | 12.250                   |
|              | 5,551.00              | 5,053.99                    | 7"     |      | 7.000                      | 8.750                    |

| Measured        | Vertical        | Local Coor      | dinates         |                                  |  |
|-----------------|-----------------|-----------------|-----------------|----------------------------------|--|
| Depth<br>(usft) | Depth<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Comment                          |  |
| 525.00          | 525.00          | 0.00            | 0.00            | Start Build 2.00                 |  |
| 1,192.72        | 1,186.69        | 16.95           | -75.59          | Hold 13.35 Inclination           |  |
| 4,355.69        | 4,264.13        | 176.82          | -788.44         | Start Build DLS 9.00 TFO -150.57 |  |
| 5,149.76        | 4,938.77        | -81.41          | -612.10         | Hold 60.00 Inclination           |  |
| 5,209.76        | 4,968.77        | -118.27         | -575.48         | Start Build DLS 9.01 TFO 0.35    |  |
| 5,410.35        | 5,040.26        | -250.73         | -444.14         | Start DLS 8.99 TFO -1.69         |  |
| 5,551.64        | 5,054.00        | -350.15         | -345.10         | POE at 90.77 Inc 134.92 Deg      |  |
| 13,861.37       | 4,943.00        | -6.217.68       | 5,538,04        | TD at 13836.37                   |  |



#### 7.0 Methods for Handling Waste

#### A. Cuttings

- 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

 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

- 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.
- 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:

- 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 ¼, Section 14, Township 23 North, Range 7 West
  - b. Jillson Federal #1, NMOCD order #R-10168, operated by ConocoPhillips, located in NW ¼, Section 8, Township 24 North, Range 3 West
  - Basin Disposal, permit #NM-01-005, located in the NW ¼, 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 ¼, 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.

