

RECEIVED

MAR 24 2016

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

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM 057164
2. Name of Operator WPX Energy Production, LLC		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 640    Aztec, NM 87410	3b. Phone No. (include area code) 505-333-1816	7. If Unit of CA/Agreement, Name and/or No. Kimbeto Wash Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 393' FSL & 1128' FEL SEC 17, 23N 9W BHL: 330' FNL & 2153' FEL SEC 18 23N 9W		8. Well Name and No. KWU #771H
		9. API Well No. 30-045- <del>PENDING</del> 35756
		10. Field and Pool or Exploratory Area Basin MC
		11. Country or Parish, State San Juan, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Eliminate DV Tool-Cement</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

WPX plans to eliminate the DV tool on the above mentioned well with contingency to run it if significant losses are encountered during the drilling process.

OIL CONS. DIV DIST. 3

APR 28 2016

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Lacey Granillo		Title Permit Tech III
Signature		Date 3/24/16

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title <u>AFM</u>	Date <u>4/27/16</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office <u>FFO</u>	

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 page 2)



## WPX Energy

### Operations Plan

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

**Date:** March 24, 2016  
**Well Name:** KWU #771H  
**SH Location:** SESE Sec 17 23N-09W  
**BH Location:** NWNE Sec 18 23N-09W  
**Field:** Basin Mancos  
**Surface:** BLM  
**Elevation:** 6561' GR  
**Minerals:** FED

**Measured Depth:** 12,571.19'

## I. GEOLOGY

Surface formation - NACIMIENTO

### A. FORMATION TOPS: (KB)

NAME	MD	TVD	NAME	MD	TVD
OJO ALAMO	139	139	POINT LOOKOUT	3465	3302
KIRTLAND	259	259	MANCOS	3594	3422
PICTURED CLIFFS	840	839	GALLUP	3967	3767
LEWIS	968	966	KICKOFF POINT	3,987.88	3,786.38
CHACRA	1236	1229	TOP TARGET	4984	4511
CLIFF HOUSE	2361	2280	LANDING POINT	5,157.79	4,534.00
MENEFEE	2375	2293	BASE TARGET	5,157.79	4,534.00
			TD	12,571.19	4,511.00

### 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. MUD PROGRAM:

LSND mud (WBM) will be used to drill the 12-1/4" Surface hole, the 8 3/4" Directional Vertical hole, and the curve portion of the wellbore. A LSND (WBM) or (OBM) will be used to drill the lateral portion of well. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses.

## B. BOP TESTING:

While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The BOPE will be tested to 2,000 psi (High) for 10 minutes and the annular tested to 1,500 psi for 10 minutes. Pressure test surface casing to 1,500 psi for 30 minutes and intermediate casing to 1,500 psi for 30 minutes. Utilize a BOPE Testing Unit with a recording chart and appropriate test plug for testing. 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"	5,157.79'	7"	23 LBS	J-55 or equiv	LTC
PRODUCTION	6.125"	5007.79' - 12,571.19'	4.5"	11.6 LBS	P-110 or equiv	LTC
TIE BACK	6.125"	Surf. - 5007.79'	4.5"	11.6 LBS	P-110 or equiv	LTC

### B. FLOAT EQUIPMENT:

#### 1. SURFACE CASING:

9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.

#### 2. INTERMEDIATE CASING:

7" cement nose guide shoe with a self-fill insert float. Place float collar one joint above the shoe. Install (1) centralizer on each of the bottom (3) joints and one standard centralizer every (3) joints to 2,500 ft. Run (1) centralizer at 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft. If losses are encountered during the drilling of the intermediate section a DV tool will be utilized and a 2 stage cement job may be planned to ensure cement circ back to surface. The 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, if no cement is seen at surface on the 1st stage the stage tool will be opened and a 2nd stage cement job will be pumped.

#### 3. PRODUCTION LINER:

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

### C. CEMENT:

*(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:

Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 93 bbls, 265 sks, (522 cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 59 bbls, 254 sks, (331 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 203 bbl Drilling mud or water. Total Cement: 152 bbls, 519 sks, (853 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 (741 sx /1008 cuft /179 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/- 169 bbl Fr Water. Total Cement (741 sx /1008 cuft)

## **D. COMPLETION:**

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.

If this horizontal well is 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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## **NOTES:**

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).