

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
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: 1/26/2017

Well information;

Operator WPX, Well Name and Number N Escudado Unit 311H

API# 43-21302, Section 11, Township 22 N/S, Range 7 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
- 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
- Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
- 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.

Charlie T. Hernandez  
NMOCD Approved by Signature

3-10-2017  
Date

MAR 03 2017

FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

|                                                                                                                                                                                                                                                                |                                                     |                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER                                                                                                                                                                   |                                                     | 5. Lease Serial No.<br>NOG13121808                                         |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone                                         |                                                     | 6. If Indian, Allottee or Tribe Name<br>EASTERN NAVAJO                     |
| 2. Name of Operator<br>WPX ENERGY LLC                                                                                                                                                                                                                          |                                                     | 7. If Unit or CA Agreement, Name and No.<br>N ESCAVADA UNIT / NMNM135217A  |
| 3a. Address<br>720 S Main Aztec NM 87410                                                                                                                                                                                                                       |                                                     | 8. Lease Name and Well No.<br>N ESCAVADA UT 311H                           |
| 3b. Phone No. (include area code)<br>(505)333-1822                                                                                                                                                                                                             |                                                     | 9. API Well No.<br>30-043-21302                                            |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)*<br>At surface SWSE / 524 FSL / 2339 FEL / LAT 36.147919 / LONG -107.543721<br>At proposed prod. zone NESW / 2313 FSL / 2060 FWL / LAT 36.1676 / LONG -107.564116 |                                                     | 10. Field and Pool, or Exploratory<br>BASIN MANCOS / ESCAVADA N, MANC      |
| 14. Distance in miles and direction from nearest town or post office*<br>53 miles                                                                                                                                                                              |                                                     | 11. Sec., T. R. M. or Blk. and Survey or Area<br>SEC 11 / T22N / R7W / NMP |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)<br>524 feet                                                                                                                              | 16. No. of acres in lease<br>160                    | 17. Spacing Unit dedicated to this well<br>360                             |
| 18. Distance from proposed location* to nearest well, drilling, completed, 515 feet applied for, on this lease, ft.                                                                                                                                            | 19. Proposed Depth<br>5071 feet / 13343 feet        | 20. BLM/BIA Bond No. on file<br>IND: B001576                               |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br>6961 feet                                                                                                                                                                                               | 22. Approximate date work will start*<br>04/01/2017 | 23. Estimated duration<br>30 days                                          |
| 24. Attachments                                                                                                                                                                                                                                                |                                                     |                                                                            |

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- |                                                                                                                                                |                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 1. Well plat certified by a registered surveyor.                                                                                               | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.                                                                                                                            | 5. Operator certification                                                                       |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM.             |

|                                          |                                                            |                    |
|------------------------------------------|------------------------------------------------------------|--------------------|
| 25. Signature<br>(Electronic Submission) | Name (Printed/Typed)<br>Lacey Granillo / Ph: (505)333-1816 | Date<br>01/26/2017 |
| Title<br>Permitting Tech III             |                                                            |                    |
| Approved by (Signature)                  | Name (Printed/Typed)                                       | Date               |
| <i>[Signature]</i>                       |                                                            | 3/1/17             |
| Title<br>AFN                             | Office<br>FARMINGTON                                       |                    |

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.

(Continued on page 2)

\*(Instructions on page 2)

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

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

NMOCDA

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  
OIL CONS. DIV DIST. 3

WELL LOCATION AND ACREAGE DEDICATION PLAT

MAR 03 2017

|                                    |                                              |                     |                                        |
|------------------------------------|----------------------------------------------|---------------------|----------------------------------------|
| *API Number<br><b>30.043-21302</b> |                                              | *Pool Code<br>98172 | *Pool Name<br>ESCAVADA N; MANCOS (OIL) |
| *Property Code<br>316006           | *Property Name<br>N ESCAVADA UT              |                     | *Well Number<br>311H                   |
| *GRID No<br>120782                 | *Operator Name<br>WPX ENERGY PRODUCTION, LLC |                     | *Elevation<br>6961'                    |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idh | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| 0             | 11      | 22N      | 7W    |         | 524           | SOUTH            | 2339          | EAST           | SANDOVAL |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idh | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| K             | 3       | 22N      | 7W    |         | 2313          | SOUTH            | 2060          | WEST           | SANDOVAL |

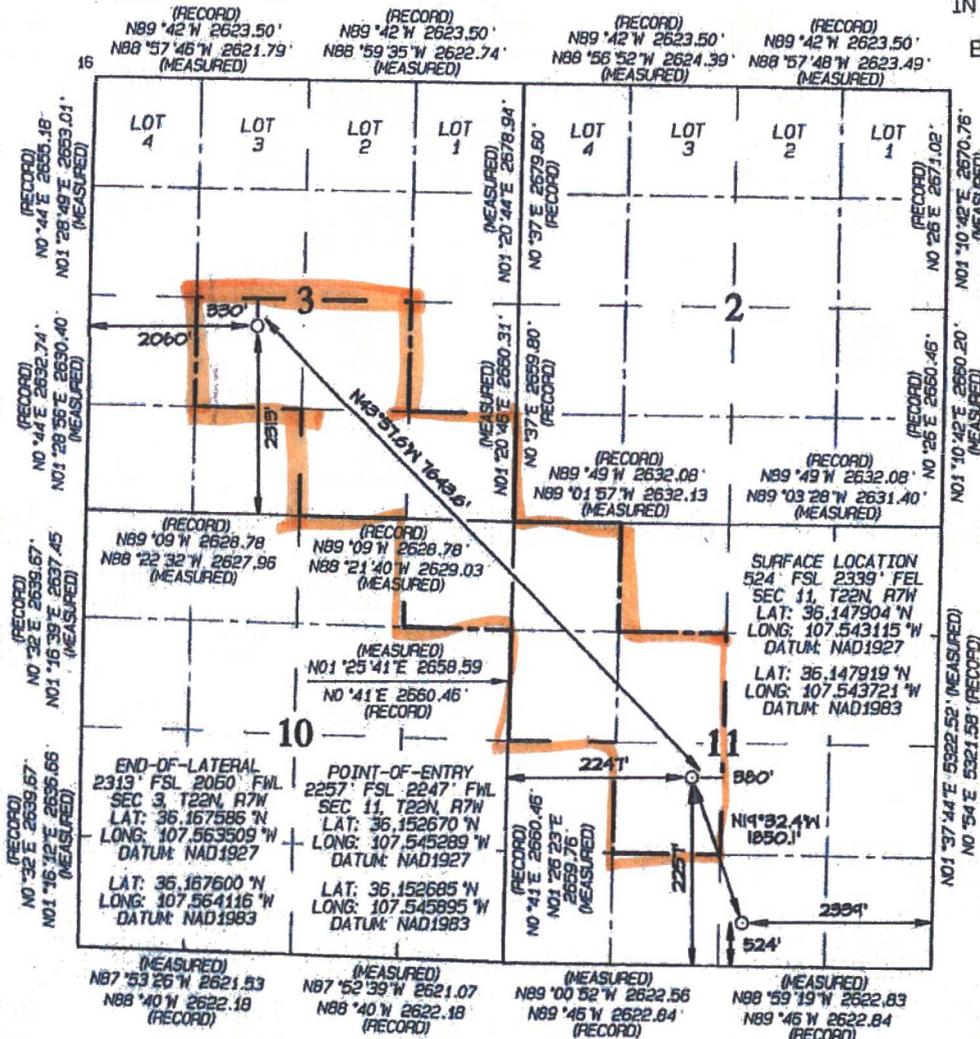
12 Dedicated Acres  
360.0  
NE/4 SW/4, W/2 SE/4  
SE/4 SE/4 - Section 3  
NE/4 NE/4 - Section 10  
NW/4 NW/4, S/2 NW/4  
NE/4 SW/4 - Section 11

13 Joint or Infill

14 Consolidation Code

15 Order No  
R-14080

NO ALLOWABLE WILL BE ASSIGNED  
TO THIS COMPLETION UNTIL ALL  
INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS  
BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order authorized by the division.

Signature: *Lacey Granillo*  
Date: 1/18/17

Printed Name: Lacey Granillo  
E-mail Address: lacey.granillo@wpxenergy.com

18 SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Revised: JANUARY 17, 2017  
Date of Survey: MARCH 16, 2016

Signature and Seal of Professional Surveyor

**JASON C. EDWARDS**  
NEW MEXICO  
REGISTERED PROFESSIONAL SURVEYOR  
15269

**JASON C. EDWARDS**  
Certificate Number: 15269



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"        | 5,700.11'             | 7"       | 23 LBS   | J-55 or equiv  | LTC  |
| PRODUCTION   | 6.125"       | 5550.11' - 13,342.57' | 4.5"     | 11.6 LBS | P-110 or equiv | LTC  |
| TIE BACK     | 6.125"       | Surf. - 5550.11'      | 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: 109 bbls, 311 sks, (612 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/ +/- 224 bbl Drilling mud or water. Total Cement: 168 bbls, 565 sks, (943 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 (763 sx /1038 cuft /185 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/-179bbl Fr Water. Total Cement (763 sx /1038bbls).

**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).

# **WPX Energy**

**T22N R7W**

**2207-110 NEU**

**N Escavada UT #311H - Slot A1**

**Wellbore #1**

**Plan: Design #1 6Aug16 sam**

## **Standard Planning Report**

**10 August, 2016**

**WPX**  
Planning Report

|                  |                      |                                     |                                         |
|------------------|----------------------|-------------------------------------|-----------------------------------------|
| <b>Database:</b> | COMPASS              | <b>Local Co-ordinate Reference:</b> | Well N Escavada UT #311H (A1) - Slot A1 |
| <b>Company:</b>  | WPX Energy           | <b>TVD Reference:</b>               | GL @ 6961.00usft                        |
| <b>Project:</b>  | T22N R7W             | <b>MD Reference:</b>                | GL @ 6961.00usft                        |
| <b>Site:</b>     | 2207-110 NEU         | <b>North Reference:</b>             | True                                    |
| <b>Well:</b>     | N Escavada UT #311H  | <b>Survey Calculation Method:</b>   | Minimum Curvature                       |
| <b>Wellbore:</b> | Wellbore #1          |                                     |                                         |
| <b>Design:</b>   | Design #1 6Aug16 sam |                                     |                                         |

|                    |                                      |                      |                |
|--------------------|--------------------------------------|----------------------|----------------|
| <b>Project</b>     | T22N R7W                             |                      |                |
| <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>                  | 2207-110 NEU |                     |                   |                          |             |
| <b>Site Position:</b>        |              | <b>Northing:</b>    | 1,873,205.88 usft | <b>Latitude:</b>         | 36.147904   |
| <b>From:</b>                 | Map          | <b>Easting:</b>     | 585,684.50 usft   | <b>Longitude:</b>        | -107.543115 |
| <b>Position Uncertainty:</b> | 0.00 usft    | <b>Slot Radius:</b> | 13.200 in         | <b>Grid Convergence:</b> | 0.17 °      |

|                             |                               |           |                            |                   |                      |               |
|-----------------------------|-------------------------------|-----------|----------------------------|-------------------|----------------------|---------------|
| <b>Well</b>                 | N Escavada UT #311H - Slot A1 |           |                            |                   |                      |               |
| <b>Well Position</b>        | <b>+N/-S</b>                  | 0.00 usft | <b>Northing:</b>           | 1,873,205.88 usft | <b>Latitude:</b>     | 36.147904     |
|                             | <b>+E/-W</b>                  | 0.00 usft | <b>Easting:</b>            | 585,684.50 usft   | <b>Longitude:</b>    | -107.543115   |
| <b>Position Uncertainty</b> |                               | 0.00 usft | <b>Wellhead Elevation:</b> | 0.00 usft         | <b>Ground Level:</b> | 6,961.00 usft |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | Wellbore #1       |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2015          | 8/6/2016           | 9.19                   | 62.88                | 49,815                     |

|                          |                                |                     |                      |                            |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------------|
| <b>Design</b>            | Design #1 6Aug16 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) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b>  | <b>Direction (bearing)</b> |
|                          | 0.00                           | 0.00                | 0.00                 | 319.96                     |

| <b>Plan Sections</b>  |                 |                   |                       |              |              |                         |                        |                       |         |                    |
|-----------------------|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|------------------------|-----------------------|---------|--------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target             |
| 0.00                  | 0.00            | 0.00              | 0.00                  | 0.00         | 0.00         | 0.00                    | 0.00                   | 0.00                  | 0.00    |                    |
| 850.00                | 0.00            | 0.00              | 850.00                | 0.00         | 0.00         | 0.00                    | 0.00                   | 0.00                  | 0.00    |                    |
| 1,890.14              | 20.80           | 351.21            | 1,867.44              | 184.57       | -28.55       | 2.00                    | 2.00                   | 0.00                  | 351.21  |                    |
| 4,775.25              | 20.80           | 351.21            | 4,564.46              | 1,197.18     | -185.16      | 0.00                    | 0.00                   | 0.00                  | 0.00    |                    |
| 5,266.77              | 60.00           | 315.28            | 4,935.71              | 1,447.21     | -356.89      | 9.00                    | 7.97                   | -7.31                 | -46.76  | Start 60 Tan #311H |
| 5,366.77              | 60.00           | 315.28            | 4,985.71              | 1,508.74     | -417.83      | 0.00                    | 0.00                   | 0.00                  | 0.00    | End 60 Tan #311H   |
| 5,536.57              | 75.28           | 315.28            | 5,050.11              | 1,619.99     | -528.00      | 9.00                    | 9.00                   | 0.00                  | 0.00    |                    |
| 5,700.11              | 90.00           | 315.28            | 5,071.00              | 1,734.92     | -641.82      | 9.00                    | 9.00                   | 0.00                  | -0.01   | POE #311H          |
| 13,342.57             | 90.00           | 315.28            | 5,071.00              | 7,164.92     | -6,019.76    | 0.00                    | 0.00                   | 0.00                  | 0.00    | BHL #311H          |

**WPX**  
Planning Report

|                  |                      |                                     |                                         |
|------------------|----------------------|-------------------------------------|-----------------------------------------|
| <b>Database:</b> | COMPASS              | <b>Local Co-ordinate Reference:</b> | Well N Escavada UT #311H (A1) - Slot A1 |
| <b>Company:</b>  | WPX Energy           | <b>TVD Reference:</b>               | GL @ 6961.00usft                        |
| <b>Project:</b>  | T22N R7W             | <b>MD Reference:</b>                | GL @ 6961.00usft                        |
| <b>Site:</b>     | 2207-110 NEU         | <b>North Reference:</b>             | True                                    |
| <b>Well:</b>     | N Escavada UT #311H  | <b>Survey Calculation Method:</b>   | Minimum Curvature                       |
| <b>Wellbore:</b> | Wellbore #1          |                                     |                                         |
| <b>Design:</b>   | Design #1 6Aug16 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                  | 0.00 |
| 320.00                                 | 0.00            | 0.00              | 320.00                | 0.00         | 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                  | 0.00 |
| 850.00                                 | 0.00            | 0.00              | 850.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| <b>Start Build 2.00</b>                |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 1,000.00                               | 3.00            | 351.21            | 999.93                | 3.88         | -0.60        | 3.36                    | 2.00                    | 2.00                   | 2.00                  | 0.00 |
| 1,500.00                               | 13.00           | 351.21            | 1,494.44              | 72.56        | -11.22       | 62.78                   | 2.00                    | 2.00                   | 2.00                  | 0.00 |
| 1,890.14                               | 20.80           | 351.21            | 1,867.44              | 184.57       | -28.55       | 159.67                  | 2.00                    | 2.00                   | 2.00                  | 0.00 |
| <b>Hold 20.80 Inclination</b>          |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 2,000.00                               | 20.80           | 351.21            | 1,970.14              | 223.12       | -34.51       | 193.03                  | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 2,500.00                               | 20.80           | 351.21            | 2,437.54              | 398.61       | -61.65       | 344.85                  | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 3,000.00                               | 20.80           | 351.21            | 2,904.94              | 574.10       | -88.80       | 496.68                  | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 3,500.00                               | 20.80           | 351.21            | 3,372.35              | 749.59       | -115.94      | 648.50                  | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 4,000.00                               | 20.80           | 351.21            | 3,839.75              | 925.08       | -143.08      | 800.32                  | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 4,500.00                               | 20.80           | 351.21            | 4,307.16              | 1,100.57     | -170.22      | 952.14                  | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 4,775.25                               | 20.80           | 351.21            | 4,564.46              | 1,197.18     | -185.16      | 1,035.72                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| <b>Start Build DLS 9.00 TFO -46.76</b> |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 5,000.00                               | 37.53           | 326.79            | 4,760.67              | 1,294.91     | -229.22      | 1,138.89                | 9.00                    | 7.44                   | -10.87                |      |
| 5,266.77                               | 60.00           | 315.28            | 4,935.71              | 1,447.21     | -356.89      | 1,337.62                | 9.00                    | 8.42                   | -4.31                 |      |
| <b>Hold 60.00 Inclination</b>          |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 5,366.77                               | 60.00           | 315.28            | 4,985.71              | 1,508.74     | -417.83      | 1,423.93                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| <b>Start Build DLS 9.00 TFO 0.00</b>   |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 5,500.00                               | 71.99           | 315.28            | 5,039.81              | 1,595.06     | -503.31      | 1,545.01                | 9.00                    | 9.00                   | 0.00                  | 0.00 |
| 5,536.57                               | 75.28           | 315.28            | 5,050.11              | 1,619.99     | -528.00      | 1,579.98                | 9.00                    | 9.00                   | 0.00                  | 0.00 |
| <b>Start DLS 9.00 TFO -0.01</b>        |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 5,700.00                               | 89.99           | 315.28            | 5,071.00              | 1,734.84     | -641.74      | 1,741.07                | 9.00                    | 9.00                   | 0.00                  | 0.00 |
| <b>7"</b>                              |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 5,700.11                               | 90.00           | 315.28            | 5,071.00              | 1,734.92     | -641.82      | 1,741.18                | 9.00                    | 9.00                   | 0.00                  | 0.00 |
| <b>POE at 90.00 Inc 315.28 Deg</b>     |                 |                   |                       |              |              |                         |                         |                        |                       |      |
| 6,000.00                               | 90.00           | 315.28            | 5,071.00              | 1,947.99     | -852.85      | 2,040.07                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 6,500.00                               | 90.00           | 315.28            | 5,071.00              | 2,303.24     | -1,204.69    | 2,538.40                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 7,000.00                               | 90.00           | 315.28            | 5,071.00              | 2,658.49     | -1,556.54    | 3,036.72                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 7,500.00                               | 90.00           | 315.28            | 5,071.00              | 3,013.74     | -1,908.39    | 3,535.05                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 8,000.00                               | 90.00           | 315.28            | 5,071.00              | 3,369.00     | -2,260.23    | 4,033.38                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 8,500.00                               | 90.00           | 315.28            | 5,071.00              | 3,724.25     | -2,612.08    | 4,531.70                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 9,000.00                               | 90.00           | 315.28            | 5,071.00              | 4,079.50     | -2,963.92    | 5,030.03                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 9,500.00                               | 90.00           | 315.28            | 5,071.00              | 4,434.75     | -3,315.77    | 5,528.36                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 10,000.00                              | 90.00           | 315.28            | 5,071.00              | 4,790.01     | -3,667.62    | 6,026.69                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 10,500.00                              | 90.00           | 315.28            | 5,071.00              | 5,145.26     | -4,019.46    | 6,525.01                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 11,000.00                              | 90.00           | 315.28            | 5,071.00              | 5,500.51     | -4,371.31    | 7,023.34                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 11,500.00                              | 90.00           | 315.28            | 5,071.00              | 5,855.76     | -4,723.16    | 7,521.67                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 12,000.00                              | 90.00           | 315.28            | 5,071.00              | 6,211.02     | -5,075.00    | 8,020.00                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 12,500.00                              | 90.00           | 315.28            | 5,071.00              | 6,566.27     | -5,426.85    | 8,518.32                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 13,000.00                              | 90.00           | 315.28            | 5,071.00              | 6,921.52     | -5,778.69    | 9,016.65                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| 13,342.57                              | 90.00           | 315.28            | 5,071.00              | 7,164.92     | -6,019.76    | 9,358.07                | 0.00                    | 0.00                   | 0.00                  | 0.00 |
| <b>TD at 13342.57</b>                  |                 |                   |                       |              |              |                         |                         |                        |                       |      |

**WPX**  
Planning Report

|                  |                      |                                     |                                         |
|------------------|----------------------|-------------------------------------|-----------------------------------------|
| <b>Database:</b> | COMPASS              | <b>Local Co-ordinate Reference:</b> | Well N Escavada UT #311H (A1) - Slot A1 |
| <b>Company:</b>  | WPX Energy           | <b>TVD Reference:</b>               | GL @ 6961.00usft                        |
| <b>Project:</b>  | T22N R7W             | <b>MD Reference:</b>                | GL @ 6961.00usft                        |
| <b>Site:</b>     | 2207-11O NEU         | <b>North Reference:</b>             | True                                    |
| <b>Well:</b>     | N Escavada UT #311H  | <b>Survey Calculation Method:</b>   | Minimum Curvature                       |
| <b>Wellbore:</b> | Wellbore #1          |                                     |                                         |
| <b>Design:</b>   | Design #1 6Aug16 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 #311H<br>- plan hits target center<br>- Point | 0.00             | 0.00                  | 4,935.71      | 1,447.21        | -356.89         | 1,874,652.02       | 585,323.29        | 36.151880 | -107.544324 |
| End 60 Tan #311H<br>- plan hits target center<br>- Point   | 0.00             | 0.00                  | 4,985.71      | 1,508.75        | -417.83         | 1,874,713.38       | 585,262.17        | 36.152049 | -107.544531 |
| BHL #311H<br>- plan hits target center<br>- Point          | 0.00             | 0.00                  | 5,071.00      | 7,164.92        | -6,019.76       | 1,880,352.78       | 579,643.36        | 36.167586 | -107.563509 |
| POE #311H<br>- plan hits target center<br>- Point          | 0.00             | 0.00                  | 5,071.00      | 1,734.92        | -641.82         | 1,874,938.87       | 585,037.50        | 36.152670 | -107.545289 |

**Casing Points**

| Measured<br>Depth<br>(usft) | Vertical<br>Depth<br>(usft) | Name   | Casing<br>Diameter<br>(in) | Hole<br>Diameter<br>(in) |
|-----------------------------|-----------------------------|--------|----------------------------|--------------------------|
| 320.00                      | 320.00                      | 9 5/8" | 9.625                      | 12.250                   |
| 5,700.00                    | 5,071.00                    | 7"     | 7.000                      | 8.750                    |

**Plan Annotations**

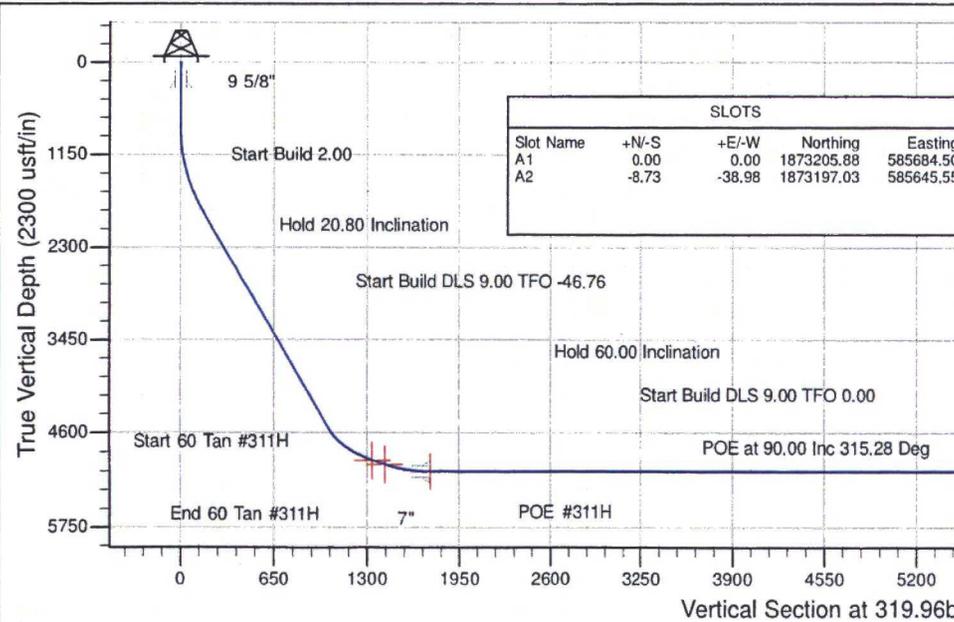
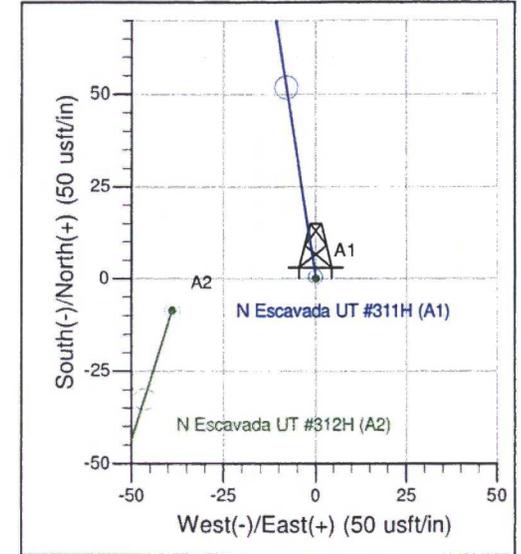
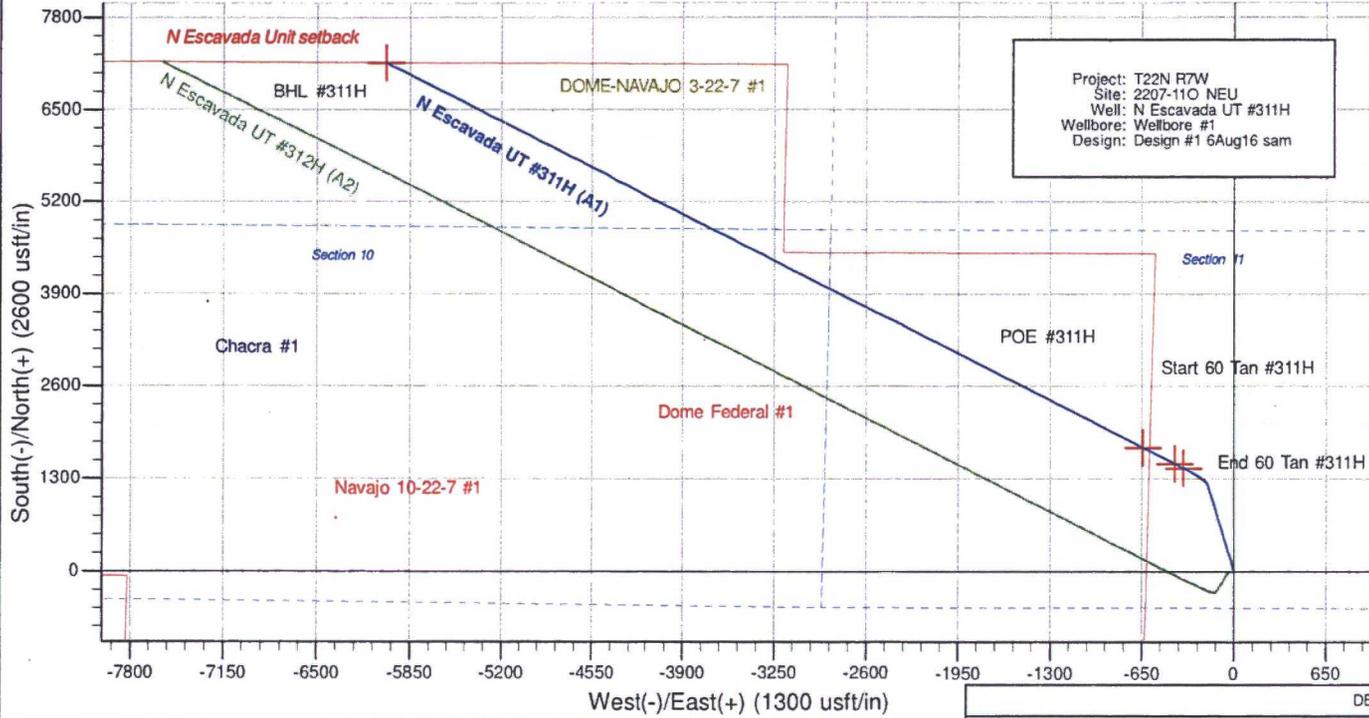
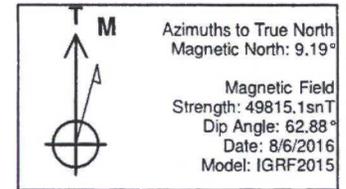
| Measured<br>Depth<br>(usft) | Vertical<br>Depth<br>(usft) | Local Coordinates |                 | Comment                         |
|-----------------------------|-----------------------------|-------------------|-----------------|---------------------------------|
|                             |                             | +N/-S<br>(usft)   | +E/-W<br>(usft) |                                 |
| 850.00                      | 850.00                      | 0.00              | 0.00            | Start Build 2.00                |
| 1,890.14                    | 1,867.44                    | 184.57            | -28.55          | Hold 20.80 Inclination          |
| 4,775.25                    | 4,564.46                    | 1,197.18          | -185.16         | Start Build DLS 9.00 TFO -46.76 |
| 5,266.77                    | 4,935.71                    | 1,447.21          | -356.89         | Hold 60.00 Inclination          |
| 5,366.77                    | 4,985.71                    | 1,508.74          | -417.83         | Start Build DLS 9.00 TFO 0.00   |
| 5,536.57                    | 5,050.11                    | 1,619.99          | -528.00         | Start DLS 9.00 TFO -0.01        |
| 5,700.11                    | 5,071.00                    | 1,734.92          | -641.82         | POE at 90.00 Inc 315.28 Deg     |
| 13,342.57                   | 5,071.00                    | 7,164.92          | -6,019.76       | TD at 13342.57                  |



Well Name: N Escavada UT #311H  
 Surface Location: 2207-110 NEU  
 NAD 1927 (NADCON CONUS) , US State Plane 1927 (Exact solution) New Mexico West 3003  
 Ground Elevation: 6961.00

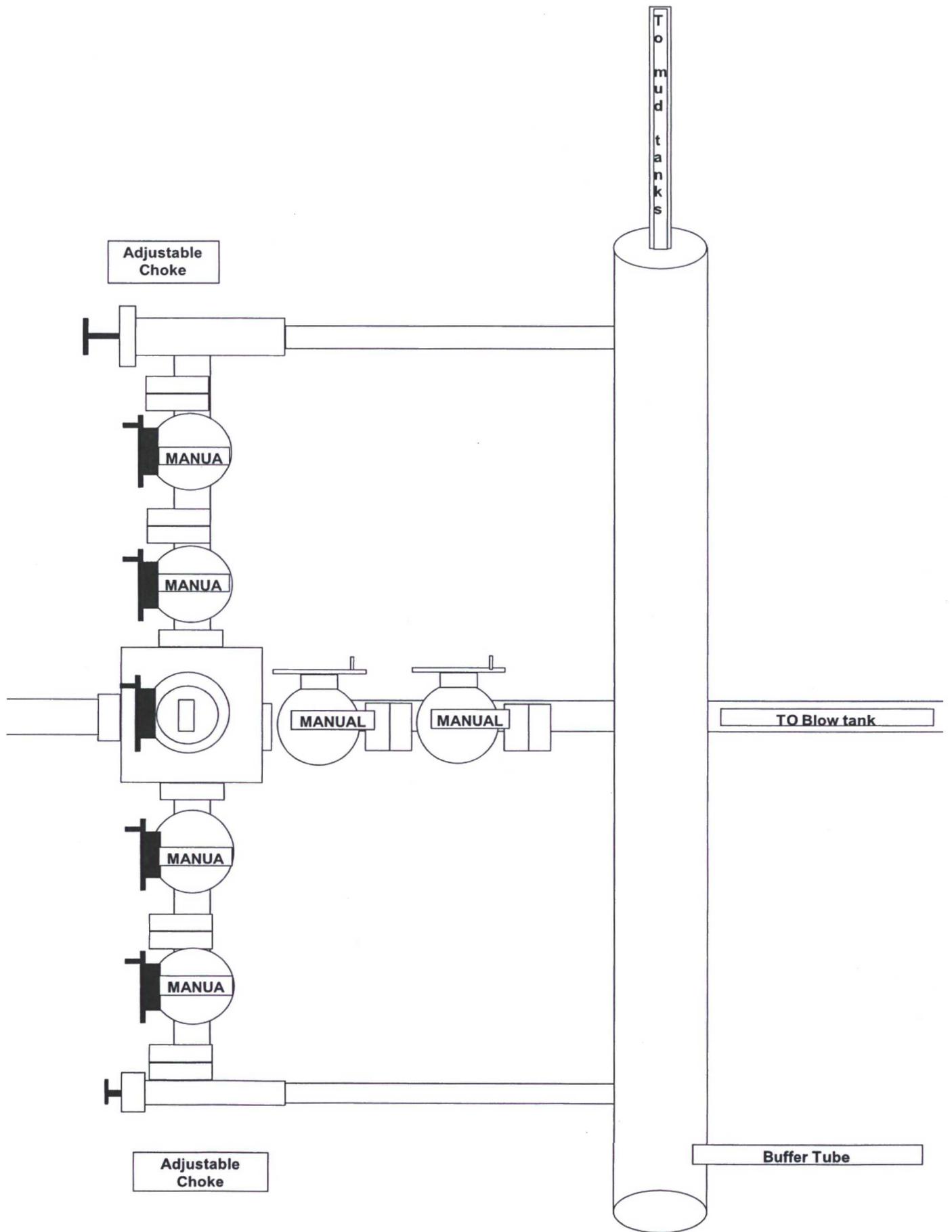
|       |       |            |           |           |             |      |
|-------|-------|------------|-----------|-----------|-------------|------|
| +N/-S | +E/-W | Northing   | Easting   | Latitude  | Longitude   | Slot |
| 0.00  | 0.00  | 1873205.88 | 585684.50 | 36.147904 | -107.543115 | A1   |

GL @ 6961.00usft



| DESIGN TARGET DETAILS |         |         |          |            |           |           |             |       |                           |
|-----------------------|---------|---------|----------|------------|-----------|-----------|-------------|-------|---------------------------|
| Name                  | TVD     | +N/-S   | +E/-W    | Northing   | Easting   | Latitude  | Longitude   | Shape |                           |
| Start 60 Tan #311H    | 4935.71 | 1447.21 | -356.89  | 1874652.02 | 585323.29 | 36.151880 | -107.544324 | Point | - plan hits target center |
| End 60 Tan #311H      | 4985.71 | 1508.75 | -417.83  | 1874713.37 | 585262.16 | 36.152049 | -107.544530 | Point | - plan hits target center |
| POE #311H             | 5071.00 | 1734.92 | -641.82  | 1874938.87 | 585037.50 | 36.152670 | -107.545289 | Point | - plan hits target center |
| BHL #311H             | 5071.00 | 7164.92 | -6019.76 | 1880352.78 | 579643.36 | 36.167586 | -107.563509 | Point | - plan hits target center |

| ANNOTATIONS |          |       |        |         |          |         |           |                                 |  |
|-------------|----------|-------|--------|---------|----------|---------|-----------|---------------------------------|--|
| TVD         | MD       | Inc   | Azi    | +N/-S   | +E/-W    | V Sect  | Departure | Annotation                      |  |
| 850.00      | 850.00   | 0.00  | 0.00   | 0.00    | 0.00     | 0.00    | 0.00      | Start Build 2.00                |  |
| 1867.44     | 1890.14  | 20.80 | 351.21 | 184.57  | -28.55   | 159.67  | 186.76    | Hold 20.80 Inclination          |  |
| 4564.46     | 4775.25  | 20.80 | 351.21 | 1197.18 | -185.16  | 1035.72 | 1211.41   | Start Build DLS 9.00 TFO -46.76 |  |
| 4935.71     | 5266.77  | 60.00 | 315.28 | 1447.21 | -356.89  | 1337.62 | 1518.47   | Hold 60.00 Inclination          |  |
| 4985.71     | 5366.77  | 60.00 | 315.28 | 1508.74 | -417.83  | 1423.93 | 1605.07   | Start Build DLS 9.00 TFO 0.00   |  |
| 5050.11     | 5536.57  | 75.28 | 315.28 | 1619.99 | -528.00  | 1579.98 | 1761.64   | Start DLS 9.00 TFO -0.01        |  |
| 5071.00     | 5700.11  | 90.00 | 315.28 | 1734.92 | -641.82  | 1741.18 | 1923.39   | POE at 90.00 Inc 315.28 Deg     |  |
| 5071.00     | 13342.57 | 90.00 | 315.28 | 7164.92 | -6019.76 | 9358.07 | 9565.84   | TD at 13342.57                  |  |



Landforms associated with these soils are ridges, valley sides, stream terraces, and valley floors. Both soils have a depth to restrictive layer more than 80 inches. (USDA/NRCS 2015).

B. Doakum, Betonnie fine sandy loams, 0 to 8 percent slopes

Within the project area, this soil map unit is found characterized by rolling elevated hills dominated by dense sagebrush. As such, excavated soils during construction of the access road, access road pullouts, TUA, segments of well-connect pipeline, and the well pad, would consist of native borrow and subsoils from the Doakum, Betonnie fine sandy loams, 0 to 8 percent slope soil map unit. A brief description of this soil can be found below.

Doakum, Betonnie fine sandy loams are composed of 55 percent Doakum, 35 percent Betonnie, and 10 percent other minor components. The parent material of these soils are derived from shale and sandstone. Doakum occurs on slopes of 0 to 5 percent and has a permeability of .2 to .6 inches per hour (moderately slow). Betonnie soil is typical located on slopes from 5 to 8 percent with a permeability of 2 to 6 inches per hour (moderately rapid). Landforms associated with these soils are hills, mesas, valley sides, bajadas, fan remnants, plateaus, and cuestas. Both soils have a depth to restrictive layer more than 80 inches. These soils are well drained and runoff potential is low. (USDA/NRCS 2015).

## 7. METHODS FOR HANDLING WASTE

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✓ A. Cuttings

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

B. Drilling Fluids

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

C. Spills

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

D. Sewage

- 1 Portable toilets would be provided and maintained as needed during construction (see Figures 3 and 4 in Appendix B for the location of toilets per project phase).

E. Garbage and other waste material

- 1 All garbage and trash would be placed in an enclosed metal trash containment. The trash and garbage would be hauled off site and dumped in an approved landfill, as needed.

