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

State of New Mexico
Energy, Minerals and Natural Resources

Amended

Form C-103
Revised August 1, 2011

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

WELL API NO. 30-043-21148
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V09210
7. Lease Name or Unit Agreement Name Chaco 2206-16A
8. Well Number 221H
9. OGRID Number 120782
10. Pool name or Wildcat Lybrook Gallup

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
WPX Energy Production, LLC

3. Address of Operator
P. O. Box 640, Aztec, NM 87410 (505) 333-1808

4. Well Location

Unit Letter **A** : **738'** feet from the **N** line and **270'** feet from the **E** line

Section **16** Township **22N** Range **6W** NMPM County **Sandoval**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7148' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: Squeeze
☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:
☐

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

WPX Energy notified & received verbal approval from NMOCD (Brandon Powell) on 3/13/17, to squeeze perfs from 4989' to 5067' w/ +/- 300sx of Class G Neat & Halad 9 and to set an RBP @ 5116' for the MIT test per attached procedure.

OIL CONS. DIV DIST. 3

MAR 15 2017

RDMO

Spud Date:

7/23/13

Rig Release Date:

8/6/13

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

SIGNATURE Mary Granillo TITLE Permit Tech DATE 3/13/17

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

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector DATE 3/15/17

Conditions of Approval (if any):

District #3

San Juan Workover Procedure

Well: Chaco 2206-16A #221H

Location: Sandoval, New Mexico

Date: 7Mar17

Objective: Re-install gas lift system post MC Silt test

AFE#: WT 45757

EH&S Notes:

- ✓ Personnel Safety is the number one job, no exceptions.
- ✓ Please follow appropriate WPX Energy contractor protocols for this job plan. (Please see your WPX Energy Business Representative if you have any questions; Contractor protocols can be found in the WPX Energy Contractor Guide.
- ✓ Continuous personal H2S monitoring is required. Any H2S alarms or other indications above 10ppm will require work to stop and the situation to be evaluated
- ✓ A Safety meeting shall be held each morning before work and subsequent "tailgate" safety meetings are to be held during the day when operation objectives shift in nature and intent. Please ensure these are documented per the WPX Contractor Guide.

Prior to Job:

- Schedule Workover Rig
- Packer, Gas Lift System and nipples (supplied by Priority). Contact: Pat Drake, 505-320-7002
- If Priority is needed on location for assistance with Packer or Gas Lift, please ensure they are there ready to go before operations commence.
- Schedule wireline if applicable
- Verify location is ok for rig operations including testing anchors.
- Ensure all flowlines on surface are clear.

Current Wellbore Status: Rod pumping MC Silt perfs (4989'-5066')

- Exposed Casing (top to bottom)
 - TAC @ 4794'
 - 4.5" Casing, 11.6# N-80
 - RBP @ 5306'

Procedure:

- **Notify NMOCD 24 hrs prior to beginning work.**
- Spot equipment; MIRU
- Blow down gas on well to production tank to kill. Ensure tank hatch is open. If necessary, pump water down tubing and backside to kill well.
- ND wellhead, NU BOP's.
- TOH with rods and pump, laying down same.
- Release TAC @ 4794'
- TOH with 2-3/8" J-55 production tubing and BHA, laying down same
- Pick up and TIH with test packer, RBP and 2-3/8" workstring. Set RBP at $\pm 5116'$ (or within 100' of bottom MC Silt perfs (4989'-5066')) so RBP does not have to be moved to perform subsequent MIT. Set packer at $\pm 4900'$. Establish injection rate into MC perfs at 4989'-5066'. Record injection rate, injection pressures, ISIP and total volume pumped for injection test.
- Spot one sack of sand down tubing on RBP ($\pm 11.5'$ of fill in 4-1/2" 11.6#)
- Squeeze MC Silt perfs 4989'-5066' per service company recommendation (± 300 sx Class G cement w/ retarder and fluid loss additives as needed, actual volume pumped based on formation response), staging as needed to ensure proper squeeze. Unset packer, reverse out remaining cement, set packer and apply pressure on squeeze overnight. Wait on cement.
- Release packer and TOH, laying down same. TIH with bit and BHA, drill out cement.
- **Notify NMOCD 24 hrs prior to MIT so they can witness.** TIH with workstring, packer and RBP retrieving head to test squeeze perfs per NMOCD requirements. Unset RBP, TOH and reset at $\pm 5116'$ (or within 100' of bottom perf at 5066'). Set packer at $\pm 4939'$ (within 100' of top perf at 4989').
- **Perform MIT on squeeze perfs per NMOCD guidelines**, i.e. pressure tubing and squeezed holes to 500 psi and hold for 30 minutes, recording pressures as required. Pressure cannot decline more than 10% over the 30-minute period. Also, pressure must be stable for at least 10 minutes at the end of the test.
- Release packer, wash sand from 5295' to 5306', release RBP and TOH. Lay down RBP, retrieving head and packer.
- MIRU N2 membrane unit, power swivel and flow tanks. TIH with workstring, mill and BHA to cleanout to PBTD @ 10,050' MD. TOH, laying down same.
- RIH with packer, GL valves and production tubing per service company spacing recommendations. Set packer @ $\pm 4950'$ (pending final GL design).
- ND BOP's, NU wellhead. Begin produced gas injection down annulus to begin unloading the well.

Notes:

- Please ensure all JSA's ECP's and Lockout procedures are in place for the flowline and other energized piping or equipment.
- Tubing Tally (from bottom to top) should be as follows:
 - 4.5" 11.6# x 2-3/8" Arrow-Set 1-X Packer with on/off tool set at $\pm 4950'$.
 - 1.81" F-nipple in on/off tool with standing valve.
 - 2-3/8", 4.7#, J-55, 8RD EUE tbg with gas lift valves spaced as per attached design to surface
 - 1.875" XN for plunger set one joint above orifice/bottom valve.