

8/08/2014

8/08/2014

NSP

PM 4414 22056439

8/08/2014

SUSPENSE

ENGINEER

MAM

8/08/2014

LOGGED IN

TYPE

NSL

APP NO.

PM 4414 22056290

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Chaco 2306-19E #189H

ADMINISTRATIVE APPLICATION CHECKLIST 30-043-21188

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☒ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners[B] ☐ Offset Operators, Leaseholders or Surface Owner[C] ☐ Application is One Which Requires Published Legal Notice[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Heather Riley

Print or Type Name

Heather Riley

Signature

Regulatory Manager

Title

8/6/14

Date

heather.riley@wpxenergy.com

e-mail Address

Need by initial
of final report
from Santa Fe
by 8/15/14
Need final report
by 8/15/14

NSL 7139
NSP 200

Wpx Energy
120782

W 11

- Chaco 2306-19E

#189H

30-043-21188

2014-08-06 1:23

RECEIVED

Pool

- Lybrook Gallup
42289



Sent via Overnight Delivery

August 6, 2014

Jami Bailey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

Re: Request for Administrative Approval of a 200-acre non-standard project area in the Lybrook Gallup Oil Pool (42289) and for non-standard location for the Chaco 2306-19E #189H, API: 30-043-21188

Dear Ms. Bailey:

WPX Energy Production, LLC, ("WPX"), requests administrative approval of a non-standard project area for the Chaco 2306-19E #189H. This well's original east-west orientation was changed after Order No. R-13817 established a 9,238 acre project area in the NE Chaco CA. The revised lateral orientation is a NW to SE azimuth, which takes better advantage of the fracture orientation indicated on microseismic.

Order No. R-13817 is contingent upon the formation of a new horizontal oil pool by the NMOCD, which has not yet been established. Stimulation activities are set for August 11, 2014 with first oil production anticipated on August 18, 2014. In order to sell production, WPX needs approval of this non-standard project area.

In addition to the non-standard project area, WPX seeks administrative approval of an unorthodox location for the Chaco 2306-19E #189H. Until Order R-13817 is in full force and effect, we are subject to the 330 feet setbacks and 40-acre spacing units under the Lybrook Gallup Pool rules.

Jami Bailey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
August 6, 2014
Page 2

This horizontal well surface location is 1757' FNL and 303' FWL, Section 19, T23N, R6W. End of lateral is 2196' FNL & 227' FWL, Section 24, T23N, R7W. The top perf is at 340' FEL of Section 24 and the base perf is 336' FWL of section 24. Given the setback requirements, the completed interval is encroaching on the following 40 acre units:

NW/4 SW/4 of Section 24, T23N R7W
NE/4 SW/4 of Section 24, T23N R7W
SE/4 NE/4 of Section 19, T23N R6W
Lot 2 Section 19, T23N R7W

Both impacted sections (Section 24 T23N, R7W and section 19 T23N, R6W) are 100% owned and operated by WPX. Therefore no offset notifications are required pursuant to NMOCD rules.

Please note that a NSL application was previously filed for this well April 23, 2014. This request supersedes the previous application. Attached is an approved Federal sundry (form 3160-5) changing the plat and drilling plans to those outlined in this letter. Should you have any questions or concerns, please don't hesitate to contact me.

These requests would be rendered moot if the new horizontal oil pool were established; however, a number of factors have contributed to its delay.

Sincerely,



Heather Riley
Regulatory Manager
Enc.: C-102

Form 3160-5 (approved)
Completed Interval Diagram

August 11, 2014

WPXENERGYSM

Via Email

Engineering and Geological Services Bureau, Oil Conservation Division
ATTN: Michael A. McMillan
1220 South St. Francis Dr.
Santa Fe NM 87505

RE: Chaco 2306-19E #205H
Chaco 2306-19E #189H
Chaco 2306-19E #188H
Rio Arriba and Sandoval County, New Mexico

Mr. McMillan:

WPX owns 100% interest in all of T23N-R6W-Section 19 and T23N-R7W-Section 24, therefore WPX is the only affected party concerning the above referenced wells.

Should you have any questions regarding the above provided information, please do not hesitate to contact me.

Sincerely,



Chuck Bassett
Landman
(539) 573-6575
chuck.bassett@wpxenergy.com.

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

District II
811 S. First Street, Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Drive
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 42289	*Pool Name LYBROOK GALLUP
*Property Code	*Property Name CHACO 2306-19E		*Well Number 189H
*OGRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 6965'

¹⁰ Surface Location

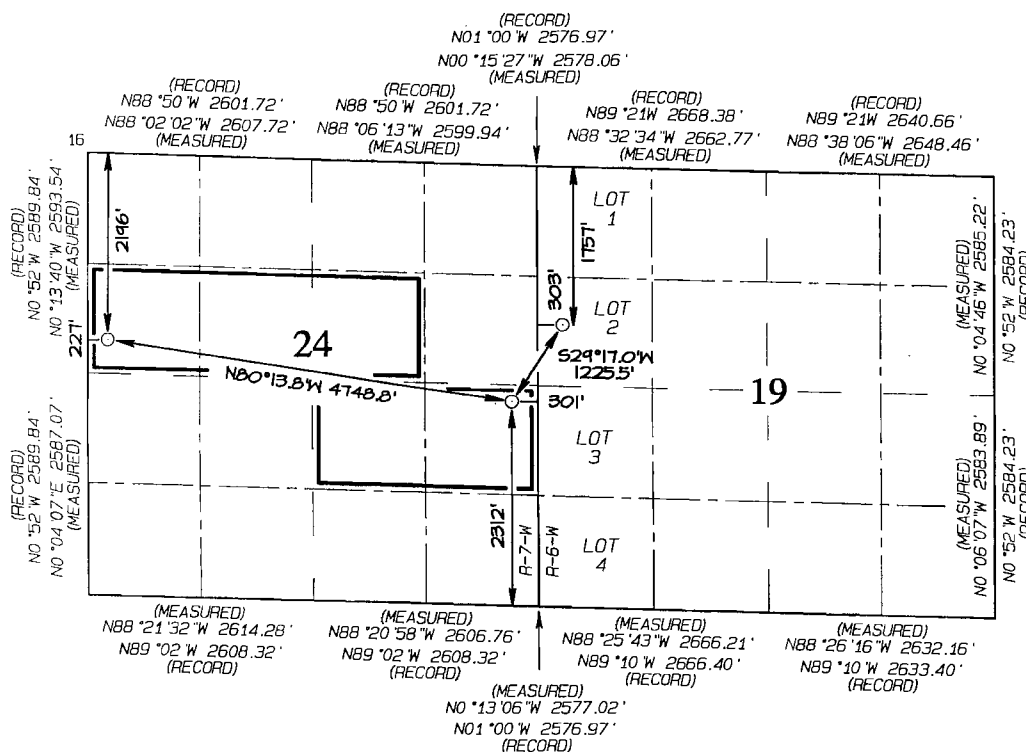
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	23N	6W	2	1757	NORTH	303	WEST	SANDOVAL

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	23N	7W		2196	NORTH	227	WEST	SANDOVAL

¹² Dedicated Acres 200.0 Acres - Section 24 N/2 SE/4 - S/2 NW/4 - SW/4 NE/4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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: JUNE 24, 2014
Date of Survey: JULY 10, 2012

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

END-OF-LATERAL
2196' FNL 227' FWL
SECTION 24, T23N, R7W
LAT: 36.21244°N
LONG: 107.53462°W
DATUM: NAD1927

POINT-OF-ENTRY
2312' FSL 301' FEL
SECTION 24, T23N, R7W
LAT: 36.21040°N
LONG: 107.51873°W
DATUM: NAD1927

SURFACE LOCATION
1757' FNL 303' FWL
SECTION 19, T23N, R6W
LAT: 36.21335°N
LONG: 107.51674°W
DATUM: NAD1927

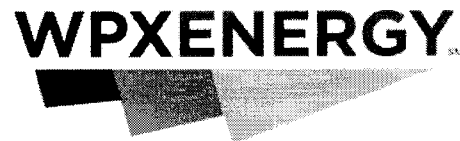
LAT: 36.21245°N
LONG: 107.53523°W
DATUM: NAD1983

LAT: 36.21041°N
LONG: 107.51933°W
DATUM: NAD1983

LAT: 36.21337°N
LONG: 107.51735°W
DATUM: NAD1983

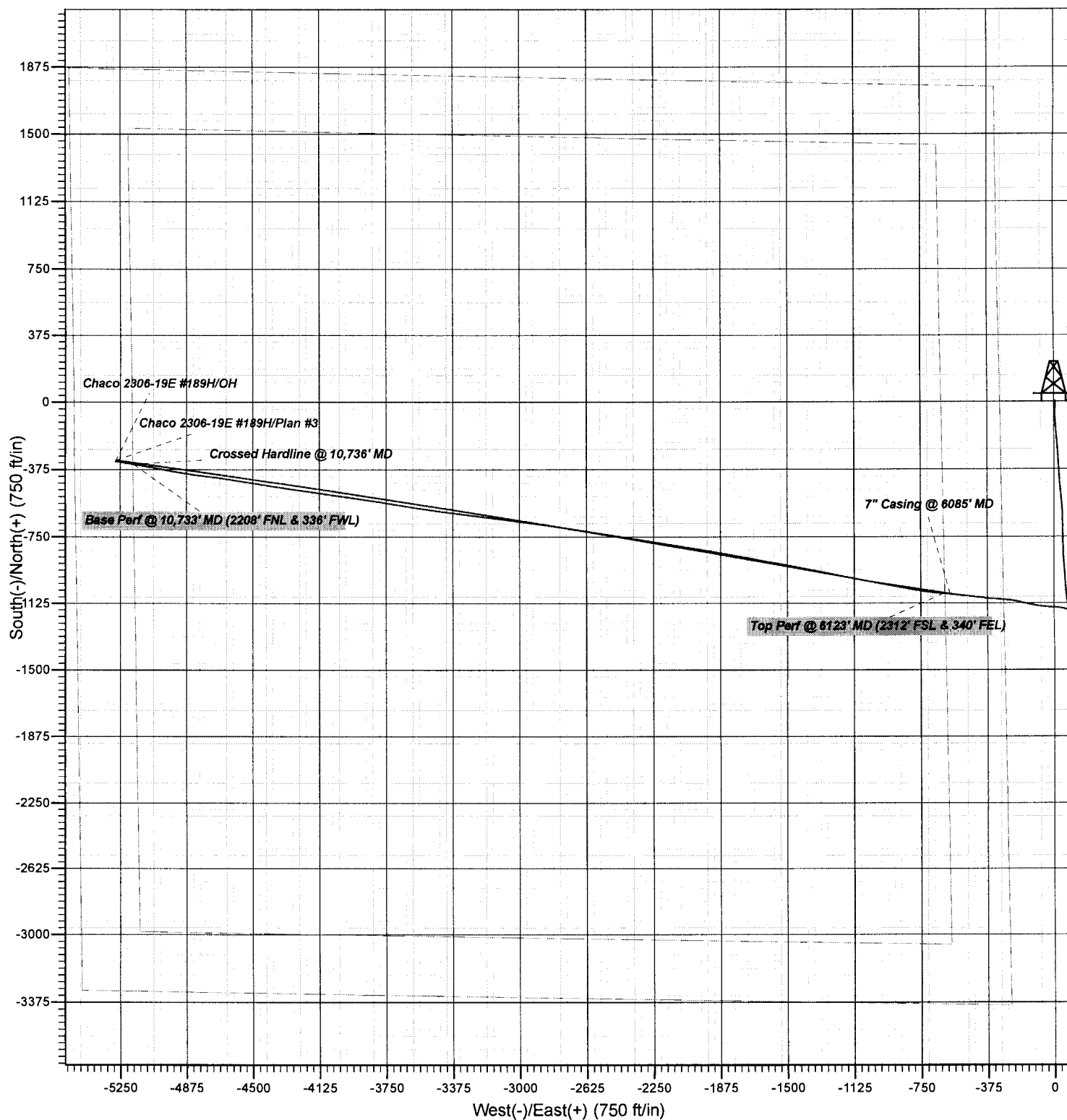


Company: WPX Energy Rocky Mountain, LLC
Project: Sandoval County, NM NAD27
Site: Chaco 2306-19E



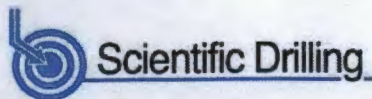
Well Details: Chaco 2306-19E #189H

TVD Reference: GL 6965' & RKB 14' @ 6979.00ft (Aztec 730)
+N/-S E/-W Northing Easting Latitude Longitude Slot
0.00 0.001899309.95 126314.15 36° 12' 48.060 N 107° 31' 0.264 W



Plan: OH

16:41, August 13 2014
Created By: Janie Collins



Company Name: WPX Energy Rocky Mountain, LLC
 Project: Sandoval County, NM NAD27
 Site: Chaco 2306-19E
 Well: Chaco 2306-19E #189H

WPXENERGY

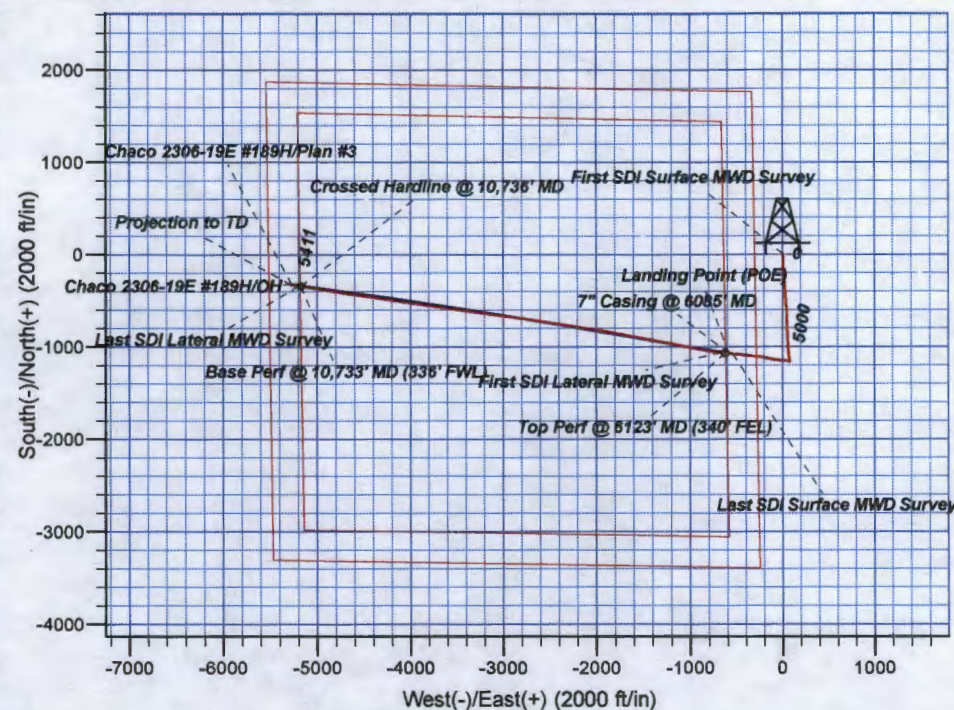
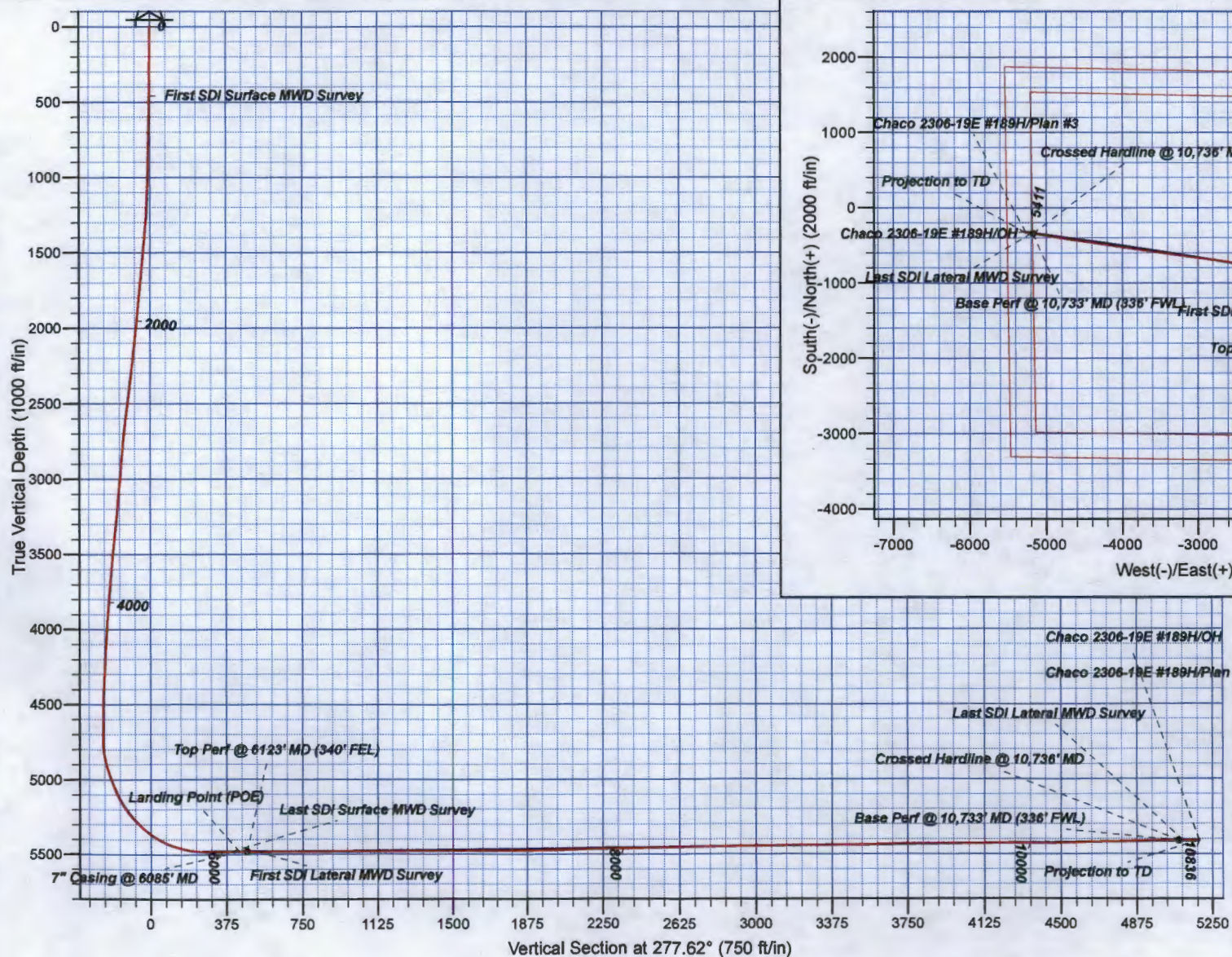


Azimuths to True North
 Magnetic North: 8.85°

Magnetic Field
 Strength: 49898.6snT
 Dip Angle: 61.05°
 Date: 5/19/2014
 Model: HDGM

WELL DETAILS: Chaco 2306-19E #189H

+N/-S	+E/-W	GL 6965' & RKB 14' @ 6979.00ft (Aztec 730)	Northing	Easting	Latitude	Longitude
0.00	0.00		1899309.95	126314.15	36° 12' 48.060 N	107° 31' 0.264 W



Design: OH (Chaco 2306-19E #189H/OH)
 Created By: Janie Collins Date: 16:43, August 05 2014
 PROJECT DETAILS: Sandoval County, NM NAD27
 Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico Central 3002
 System Datum: Mean Sea Level
 Local North: True

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, 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 3160-4 or 3160-5 form.

Operator Signature Date: April 15, 2014

Application Type:

☐ P&A ☒ Drilling/Casing Change ☐ Recomplete/DHC
☐ Location Change ☒ Other: Change project area

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-043-21188-00-00	CHACO 2306 19E	189H	WPX ENERGY PRODUCTION, LLC	O	N	Sandoval	F	E	19	23	N	6	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Hold C-104 for directional survey, As Drilled Plat & NSL

A handwritten signature in black ink, appearing to read "Wendy Hipp", is written over a horizontal line.

NMOCD Approved by Signature

4-21-14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APR 14 2014

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 existing or abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NMSF078360
2. Name of Operator WPX Energy Production, LLC		6. Indian, Allottee or Tribe Name
3a. Address PO Box 640 Aztec, NM 87410		7. If Unit of CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 505-333-1808		8. Well Name and No. Chaco 2306-19E #189H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sur: 1801' FNL & 302' FEL, sec 19, T23N, R6W - BHL: 2189' FNL & 230' FWL, Sec 24, T23N, R7W		9. API Well No. 30-043-21188
		10. Field and Pool or Exploratory Area Lybrook Gallup
		11. Country or Parish, State Sandoval, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Realign lateral</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

RCUD APR 17 '14
OIL CONS. DIV.
DIST. 3

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 recompleat 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 recompleat 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 plans to realign the lateral on this well as per attached C-102, operations plan and directional plan. No new surface disturbance is required. 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.

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations

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

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Larry Higgins		Title Regulatory Specialist
Signature <i>Larry Higgins</i>		Date 4/14/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>William Tambekou</i>	Petroleum Title Engineer	Date 4/15/2014
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 FFD		

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)

NMOC D 14

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

RECEIVED
AMENDED REPORT

APR 14 2014

Farmington Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT Bureau of Land Management

*API Number 30-043-21188		*Pool Code 42289		*Pool Name LYBROOK GALLUP	
*Property Code 39987		*Property Name CHACO 2306-19E			*Well Number 189H
*GRID No. 120782		*Operator Name WPX ENERGY PRODUCTION, LLC			*Elevation 6965'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	23N	6W	2	1801	NORTH	302	WEST	SANDOVAL

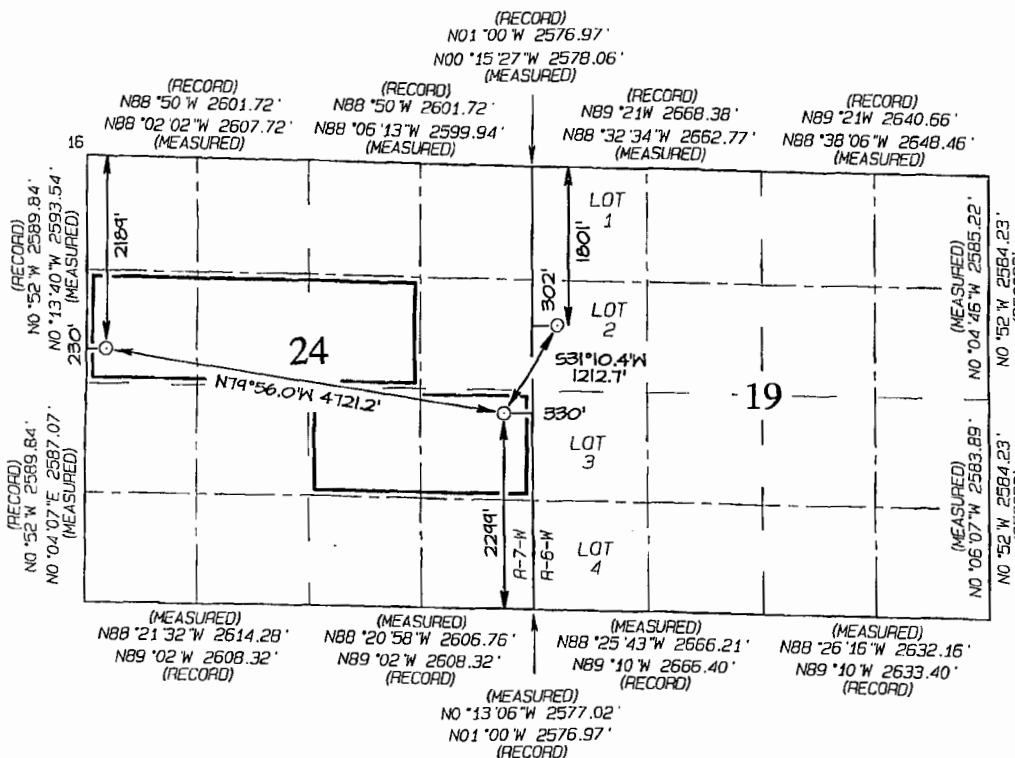
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	23N	7W		2189	NORTH	230	WEST	SANDOVAL

*Dedicated Acres 200.0 Acres - Section 24 N/2 SE/4 - S/2 NW/4 - SW/4 NE/4		*Joint or Infill	*Consolidation Code	*Order No. RCUD APR 17'14 OIL CONS. DIV.
---	--	------------------	---------------------	--

DIST. 3

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



END-OF-LATERAL
2189' FNL 230' FWL
SECTION 24, T23N, R7W
LAT: 36.21246°N
LONG: 107.53461°W
DATUM: NAD1927

LAT: 36.21247°N
LONG: 107.53522°W
DATUM: NAD1983

POINT-OF-ENTRY
2299' FSL 330' FEL
SECTION 24, T23N, R7W
LAT: 36.21036°N
LONG: 107.51882°W
DATUM: NAD1927

LAT: 36.21038°N
LONG: 107.51943°W
DATUM: NAD1983

SURFACE LOCATION
1801' FNL 302' FWL
SECTION 19, T23N, R6W
LAT: 36.21323°N
LONG: 107.51674°W
DATUM: NAD1927

LAT: 36.21325°N
LONG: 107.51735°W
DATUM: NAD1983

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 heretofore entered by the division.

Signature: *Larry Higgins* Date: 4/14/14

Printed Name: Larry Higgins

E-mail Address: larry.higgins@wpenergy.com

E-mail Address: larry.higgins@wpenergy.com

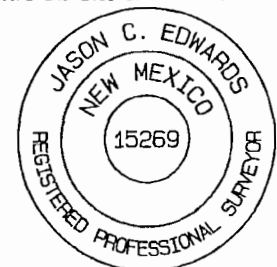
18 SURVEYOR CERTIFICATION

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: APRIL 14, 2014

Date of Survey: JULY 10, 2012

Signature and Seal of Professional Surveyor



JASON C. EDWARDS

Certificate Number 15269

WPXENERGY

WPX ENERGY

Operations Plan

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

DATE: 4/8/2014 **FIELD:** Lybrook (Gallup)
WELL NAME: Chaco 2306-19E #189H **SURFACE:** BLM
SH Location: SWNW Sec 19-23N-06W **ELEVATION:** 6965' GR
BH Location: SWNW Sec 24-23N-07W **MINERALS:** BLM
Sandoval, NM
MEASURED DEPTH: 10,523' **LEASE #:** NMSF 078360

I. GEOLOGY: Surface formation – San Jose

A. FORMATION TOPS: (KB)

Name	MD	TVD	Name	MD	TVD
Ojo Alamo	1305	1296	Point Lookout	4362	4175
Kirtland	1617	1593	Mancos	4550	4361
Picture Cliffs	1938	1893	Kickoff Point	4993	4803
Lewis	2029	1978	Top Target	5786	5414
Chacra	2382	2308	Landing Point	6061	5470
Cliff House	3548	3398	Base Target	6055	5470
Menefee	3568	3416			
			TD	10782	5414

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 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.**

NOTE: Vertical portion of the well (8-3/4 in.) will be directionally drilled as per attached Directional Plan to +/- 4,993' (MD) / 4,803' (TVD). Curve portion of wellbore will be drilled and landed at +/- 90 deg. at +/- 6,061' (MD) / 5,470' (TVD). 7 in. csg will be set at this point. A 6-1/8" Lateral will be drilled as per the attached Directional Plan to +/- 10,782' (MD) / 5,414' (TVD). Will run 4-1/2 in. Production Liner from +/- 5,911 ft. to TD and cemented. Liner will be tied back to surface w / 4-1/2" Casing for stimulation / testing, then removed from the well.

III. MATERIALS

A. CASING PROGRAM:

<u>CASING TYPE</u>	<u>OH SIZE (IN)</u>	<u>DEPTH (MD) (FT)</u>	<u>CASING SIZE (IN)</u>	<u>WEIGHT(LB)</u>	<u>GRADE</u>
Surface	12.25"	400'+	9.625"	36#	J-55
Intermediate	8.75"	6,061'	7"	23#	K-55
Prod. Liner	6.125"	5,911' - 10,782'	4-1/2"	11.6#	N-80
Tie-Back String	N/A	Surf. - 5,911'	4-1/2"	11.6#	N-80

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 2,700 ft., 2,500 ft., 2,300ft., and 2,000ft. Additionally run 1 turbolizing centralizer on every other joint from 100' below the top of the Kirtland to 100' above the top of the Ojo Alamo, as referenced in Formation Tops in Section I-A.
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 + (2) RSI (Sliding Sleeves) 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.
4. TIE-BACK CASING: None

C. CEMENTING:

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

1. SURFACE: 10 bbl Fr Water Spacer + 190 sx (222.3 cu.ft.) of "Premium Cement" + 2% Calcium Chloride Cement + 0.125# pps of Poly-E-Flake, 15.8 #/gal (1.17 cu ft./sk, Vol 39.58 Bbls.). The 100% excess should circulate cement to the surface. WOC 12 hours. Test csg to 600psi. Total Volume: (222.3 cu-ft/190 sx/39.6 Bbls). TOC at Surface.
2. INTERMEDIATE: 20 bbl (112 cu-ft) Mud Flush III spacer + Lead: 850 sx Foamed 50/50 Poz Cement. 13.0 ppg + 0.1% Halad 766 + 0.2% Versaset + 1.5% Chem-Foamer 760 (Yield :1.43 cu-ft/ sk. / Vol: 1216 cu-ft / 216.5 Bbls.) + TAIL: 100 sx 13.5 #/gal. + 0.2% Versaset + 0.15% HALAD-766 (Yield: 1.28 cu-ft / sk / Vol: 128 cu-ft / 22.8 Bbls.). + Fresh Water Displacement (1,362 cu-ft / +/- 242 Bbls) + 100 sx Top-Out Cement Premium: Yield: (1.17 cu-ft/ sk / (Vol: 117 cu-ft / 20.8 Bbls). Test Casing to 1500 PSI for 30 minutes. Total Cement Volume: (1050 sx / 1461 cu-ft / 260 bbls). Mix with +/- 84,000 SCF Nitrogen. TOC at surface.
3. PRODUCTION LINER: **STAGE 1:**10 bbl (56.cu-ft) Fr Water Spacer. **STAGE 2:**40 bbl 9.5 ppg (224.6 cu-ft) Tuned Spacer III + 0.5 gal/bbl Musol + 38.75 ppb Barite + 0.5 gal/bbl SEM-7. **STAGE 3:** 10 bbl Fr Water Spacer. **STAGE 4: Lead Cement:** 50 / 50 Poz Premium + 0.2% Versaset + 0.2% Halad -766, Yield 1.43 cu ft/sk, 13.0 ppg, (10 sx / 14.3 cu ft. / 2.5 bbls). **STAGE 5:** 200 sx. Foamed Lead Cement: 50 / 50 Poz Standard + 0.2% Versaset + 0.2% HALAD-766 + 1.5% Chem-Foamer 760. Yield 1.97 cu-ft/sk. 13.0 ppg (200 sx / 394 cu-ft. / 70.2 bbls.). **STAGE 6:** Tail Cement : 100 sx. 50/50 Poz Standard + 0.2% Versaset + 0.05% HALAD-766 + .05% SA-1015, Weight: 13.5 ppg (100 sx / Yield 1.28 cu ft/sk. / 128 cu ft. / 22.8 bbls) **STAGE 7:** Displace w/ +/- 137 bbl Fr Water. Total Cement (536.3 cu ft / 95.5 bbls). Mix

Foamed Cement w/ +/- 75,000 SCF Nitrogen. Est. TOC +/- 5,611 ft.

IV. COMPLETION

A. CBL

1. Run CCL for perforating.

B. 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.

C. 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.

D. 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 point of curve (~5,800' MD).
- 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:

Installation of RSI sleeves at Toe of Lateral.

Proposed Operations:

A 4-1/2" 11.6# N-80 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# K-55 Intermediate casing (set at 6,061 ft. MD) with a Liner Hanger and pack-off assembly then cemented to +/- 300 ft above the liner hanger. TOL will be +/- 5,911 ft. (MD) +/- 78 degree angle. TOC: +/- 5,611 ft. (MD).

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

A 4-1/2" 11.6# N-80 tie-back string with seal assembly will be run and stung into the PBR of the liner hanger, tested to 1500 PSI and hung off at the surface.

The Drilling Rig will be rigged down at this point and Completion operations will begin. After Stimulation and Testing operations are complete the 4-1/2" tie-back string will be removed from the well.

Note: Changes to formation tops, casing landing points, well TD and Directional Plan.

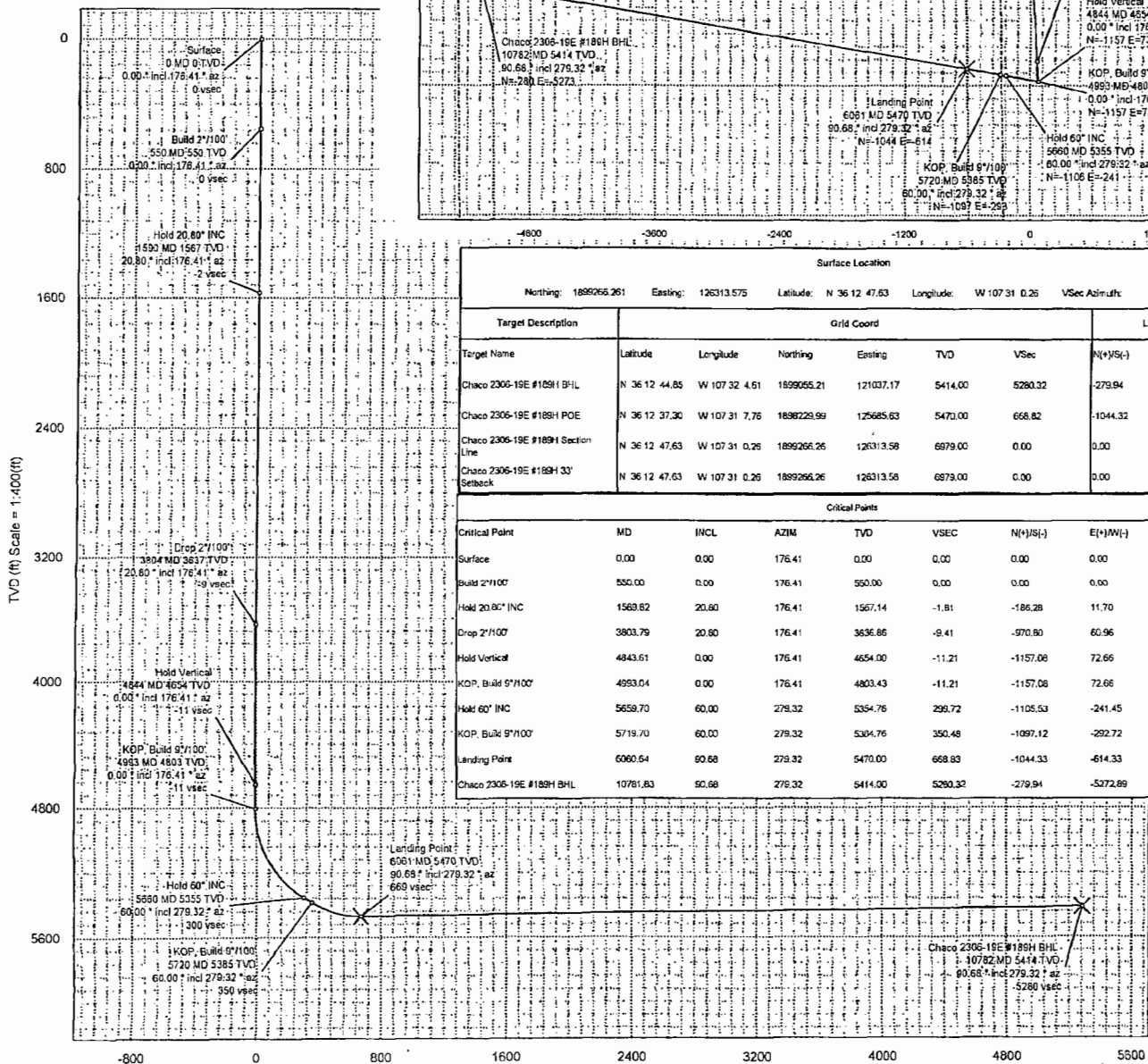
Borehole:	Well:	Field:	Structure:
Original Hole	Chaco 2306-19E #189H	NM Sandoval County NAD27	Sec 19-23N-6W

Gravity & Magnetic Parameters	Surface Location	Miscellaneous
Model: BGM 2013 Dip: 62.596° Date: 11-Mar-2014	NAD27 New Mexico State Plane, Central Zone, US Feet	Slot: Chaco 2306-19E #189H TVD Ref: RKB(6679ft above MSL)
MagDec: 9.44° FS: 50125.782mT Gravity FS: 998.916mgm (9.80665 Based)	Lat: N 36 12 47.63 Northing: 1899266.261 Grid Conv: -0.7485°	Plan: Chaco 2306-19E #189H R2 mdv 04Apr14
	Lon: W 107 31 0.26 Easting: 126313.575 Scale Fact: 1.0000598	

Proposal

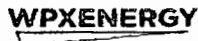


True North
Tot Corr (M->T 9.440°)
Mag Dec (9.440°)
Grid Conv (-0.748°)



Vertical Section (ft) Azim = 266.961° Scale = 1:400(ft) Origin = 0N/S, 0E/W

Surface Location								
Northing: 1899266.261		Easting: 126313.575		Latitude: N 36 12 47.63		Longitude: W 107 31 0.26		VSec Azimuth: 266.961
Target Description		Grid Coord					Local Coord	
Target Name	Latitude	Longitude	Northing	Easting	TVD	VSec	N(+)/S(-)	E(+)/W(-)
Chaco 2306-19E #189H BHL	N 36 12 44.85	W 107 32 4.51	1899055.21	121037.17	5414.00	5280.32	-279.94	-5272.89
Chaco 2306-19E #189H POE	N 36 12 37.30	W 107 31 7.76	1898229.99	125685.63	5470.00	668.82	-1044.32	-614.32
Chaco 2306-19E #189H Section Line	N 36 12 47.63	W 107 31 0.26	1899266.26	126313.58	6679.00	0.00	0.00	0.00
Chaco 2306-19E #189H 33' Setback	N 36 12 47.63	W 107 31 0.26	1899266.26	126313.58	6679.00	0.00	0.00	0.00
Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/S(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	176.41	0.00	0.00	0.00	0.00	
Build 2°/100'	550.00	0.00	176.41	550.00	0.00	0.00	0.00	0.00
Hold 20.80° INC	1569.82	20.80	176.41	1567.14	-1.81	-186.28	11.70	2.00
Drop 2°/100'	3803.79	20.80	176.41	3636.86	-9.41	-970.80	60.96	0.00
Hold Vertical	4843.61	0.00	176.41	4654.00	-11.21	-1157.08	72.66	2.00
KOP, Build 9°/100'	4993.04	0.00	176.41	4803.43	-11.21	-1157.08	72.66	0.00
Hold 60° INC	5658.70	60.00	279.32	5354.76	299.72	-1105.53	-241.45	9.00
KOP, Build 9°/100'	5719.70	60.00	279.32	5304.76	350.48	-1097.12	-292.72	0.00
Landing Point	6060.54	90.68	279.32	5470.00	668.83	-1044.33	-614.33	6.00
Chaco 2306-19E #189H BHL	10781.63	90.68	279.32	5414.00	5280.32	-279.94	-5272.89	0.00



Chaco 2306-19E #189H R2 mdv 04Apr14 Proposal Geodetic Report



(Def Plan)

Report Date: April 04, 2014 - 02:35 PM
Client: WPX Energy
Field: NM Sandoval County NAD27
Structure / Slot: WPX Sec 19-23N-6W (Chaco 2306-19E #189H) / Chaco 2306-19E #189H
Well: Chaco 2306-19E #189H
Borehole: Original Hole
UWI / API#: Unknown / Unknown
Survey Name: Chaco 2306-19E #189H R2 mdv 04Apr14
Survey Date: November 04, 2013
Tort / AHD / DDI / ERD Ratio: 132.268 * / 6575.396 ft / 6.234 / 1.202
Coordinate Reference System: NAD27 New Mexico State Plane, Central Zone, US Feet
Location Lat / Long: N 36° 12' 47.62800", W 107° 31' 0.26400"
Location Grid N/E Y/X: N 1899266.261 NUS, E 126313.575 IUS
CRS Grid Convergence Angle: -0.7485 *
Grid Scale Factor: 1.0000596
Version / Patch: 2.7.1043.0

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 266.961 * (True North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: RKB
TVD Reference Elevation: 6679.000 ft above MSL
Seabed / Ground Elevation: 6965.000 ft above MSL
Magnetic Declination: 9.440 *
Total Gravity Field Strength: 998.9161mgn (9.80655 Based)
Gravity Model: DOX
Total Magnetic Field Strength: 50125.782 nT
Magnetic Dip Angle: 62.996 *
Declination Date: March 11, 2014
Magnetic Declination Model: BGGM 2013
North Reference: True North
Grid Convergence Used: 0.0000 *
Total Corr Mag North-True: 9.4401 *
North: Well Head
Local Coord Referenced To: Well Head

Comments	MD (ft)	Incl (°)	Azin True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
Surface	0.00	0.00	176.41	0.00	0.00	0.00	0.00	N/A	1899266.26	126313.58	N 36 12 47.63 W 107 31 0.26	
	100.00	0.00	176.41	100.00	0.00	0.00	0.00	0.00	1899266.26	126313.58	N 36 12 47.63 W 107 31 0.26	
	200.00	0.00	176.41	200.00	0.00	0.00	0.00	0.00	1899266.26	126313.58	N 36 12 47.63 W 107 31 0.26	
	300.00	0.00	176.41	300.00	0.00	0.00	0.00	0.00	1899266.26	126313.58	N 36 12 47.63 W 107 31 0.26	
	400.00	0.00	176.41	400.00	0.00	0.00	0.00	0.00	1899266.26	126313.58	N 36 12 47.63 W 107 31 0.26	
	500.00	0.00	176.41	500.00	0.00	0.00	0.00	0.00	1899266.26	126313.58	N 36 12 47.63 W 107 31 0.26	
Build 2"/100'	550.00	0.00	176.41	550.00	0.00	0.00	0.00	0.00	1899266.26	126313.58	N 36 12 47.63 W 107 31 0.26	
	600.00	1.00	176.41	600.00	0.00	-0.44	0.03	2.00	1899265.83	126313.60	N 36 12 47.62 W 107 31 0.26	
	700.00	3.00	176.41	699.93	-0.04	-3.92	0.25	2.00	1899262.34	126313.77	N 36 12 47.59 W 107 31 0.26	
	800.00	5.00	176.41	799.68	-0.11	-10.88	0.68	2.00	1899255.37	126314.12	N 36 12 47.52 W 107 31 0.26	
	900.00	7.00	176.41	899.13	-0.21	-21.31	1.34	2.00	1899244.93	126314.64	N 36 12 47.42 W 107 31 0.25	
	1000.00	9.00	176.41	998.15	-0.34	-35.20	2.21	2.00	1899231.03	126315.33	N 36 12 47.28 W 107 31 0.24	
	1100.00	11.00	176.41	1096.63	-0.51	-52.53	3.30	2.00	1899213.69	126318.19	N 36 12 47.11 W 107 31 0.22	
	1200.00	13.00	176.41	1194.44	-0.71	-73.28	4.60	2.00	1899192.92	126317.22	N 36 12 46.90 W 107 31 0.21	
	1300.00	15.00	176.41	1291.46	-0.94	-97.42	6.12	2.00	1899168.76	126318.42	N 36 12 46.66 W 107 31 0.19	
	1400.00	17.00	176.41	1387.58	-1.21	-124.93	7.85	2.00	1899141.23	126319.79	N 36 12 46.39 W 107 31 0.17	
	1500.00	19.00	176.41	1482.68	-1.51	-155.77	9.78	2.00	1899110.37	126321.32	N 36 12 46.09 W 107 31 0.14	
Hold 20.80° INC	1589.82	20.80	176.41	1587.14	-1.81	-186.28	11.70	2.00	1899079.83	126322.84	N 36 12 45.79 W 107 31 0.12	
	1600.00	20.80	176.41	1576.65	-1.84	-189.89	11.92	0.00	1899078.22	126323.02	N 36 12 45.75 W 107 31 0.12	
	1700.00	20.80	176.41	1670.14	-2.18	-225.32	14.15	0.00	1899040.76	126324.78	N 36 12 45.40 W 107 31 0.09	
	1800.00	20.80	176.41	1763.62	-2.53	-260.76	16.37	0.00	1899005.30	126326.54	N 36 12 45.05 W 107 31 0.06	
	1900.00	20.80	176.41	1857.11	-2.67	-296.19	18.60	0.00	1898969.83	126328.31	N 36 12 44.70 W 107 31 0.04	
	2000.00	20.80	176.41	1950.59	-3.21	-331.63	20.82	0.00	1898934.37	126330.07	N 36 12 44.35 W 107 31 0.01	
	2100.00	20.80	176.41	2044.08	-3.56	-367.06	23.05	0.00	1898898.91	126331.83	N 36 12 44.00 W 107 30 59.98	
	2200.00	20.80	176.41	2137.56	-3.90	-402.50	25.28	0.00	1898863.44	126333.59	N 36 12 43.65 W 107 30 59.96	
	2300.00	20.80	176.41	2231.05	-4.24	-437.93	27.50	0.00	1898827.98	126335.35	N 36 12 43.30 W 107 30 59.93	
	2400.00	20.80	176.41	2324.53	-4.59	-473.37	29.73	0.00	1898792.52	126337.12	N 36 12 42.95 W 107 30 59.90	
	2500.00	20.80	176.41	2418.02	-4.93	-508.80	31.95	0.00	1898757.06	126338.88	N 36 12 42.60 W 107 30 59.87	
	2600.00	20.80	176.41	2511.50	-5.27	-544.24	34.18	0.00	1898721.59	126340.64	N 36 12 42.25 W 107 30 59.85	
	2700.00	20.80	176.41	2604.99	-5.62	-579.67	36.40	0.00	1898686.13	126342.40	N 36 12 41.90 W 107 30 59.82	
	2800.00	20.80	176.41	2698.47	-5.96	-615.11	38.63	0.00	1898650.67	126344.16	N 36 12 41.55 W 107 30 59.79	
	2900.00	20.80	176.41	2791.96	-6.31	-650.54	40.85	0.00	1898615.20	126345.93	N 36 12 41.19 W 107 30 59.77	
	3000.00	20.80	176.41	2885.44	-6.65	-685.98	43.08	0.00	1898579.74	126347.69	N 36 12 40.84 W 107 30 59.74	
	3100.00	20.80	176.41	2978.93	-6.99	-721.41	45.30	0.00	1898544.28	126349.45	N 36 12 40.49 W 107 30 59.71	
	3200.00	20.80	176.41	3072.41	-7.34	-756.85	47.53	0.00	1898508.81	126351.21	N 36 12 40.14 W 107 30 59.68	
	3300.00	20.80	176.41	3165.90	-7.68	-792.28	49.75	0.00	1898473.35	126352.98	N 36 12 39.79 W 107 30 59.66	
	3400.00	20.80	176.41	3259.38	-8.02	-827.72	51.98	0.00	1898437.89	126354.74	N 36 12 39.44 W 107 30 59.63	
	3500.00	20.80	176.41	3352.87	-8.37	-863.15	54.20	0.00	1898402.42	126356.50	N 36 12 39.09 W 107 30 59.60	
	3600.00	20.80	176.41	3448.35	-8.71	-898.59	56.43	0.00	1898366.96	126358.26	N 36 12 38.74 W 107 30 59.58	
	3700.00	20.80	176.41	3539.84	-9.05	-934.02	58.65	0.00	1898331.50	126360.02	N 36 12 38.39 W 107 30 59.55	
	3800.00	20.80	176.41	3633.32	-9.40	-969.46	60.88	0.00	1898296.03	126361.79	N 36 12 38.04 W 107 30 59.52	
Drop 2"/100'	3803.79	20.80	176.41	3636.86	-9.41	-970.80	60.96	0.00	1898294.69	126381.85	N 36 12 38.03 W 107 30 59.52	
	3900.00	18.67	176.41	3727.36	-9.73	-1003.38	63.01	2.00	1898262.09	126383.47	N 36 12 37.71 W 107 30 59.50	
	4000.00	16.87	176.41	3822.53	-10.02	-1034.01	64.93	2.00	1898231.43	126385.00	N 36 12 37.40 W 107 30 59.47	
	4100.00	14.67	176.41	3918.71	-10.29	-1061.30	66.65	2.00	1898204.12	126386.35	N 36 12 37.13 W 107 30 59.45	
	4200.00	12.87	176.41	4015.79	-10.52	-1085.23	68.15	2.00	1898180.17	126387.54	N 36 12 36.90 W 107 30 59.43	
	4300.00	10.67	176.41	4113.65	-10.72	-1105.78	69.44	2.00	1898159.63	126388.57	N 36 12 36.69 W 107 30 59.42	
	4400.00	8.67	176.41	4212.16	-10.88	-1122.87	70.51	2.00	1898142.50	126389.42	N 36 12 36.52 W 107 30 59.40	
	4500.00	6.67	176.41	4311.22	-11.02	-1136.54	71.37	2.00	1898128.82	126390.10	N 36 12 36.39 W 107 30 59.39	
	4600.00	4.67	176.41	4410.69	-11.11	-1146.75	72.01	2.00	1898118.60	126390.60	N 36 12 36.29 W 107 30 59.39	
	4700.00	2.87	176.41	4510.45	-11.18	-1153.49	72.43	2.00	1898111.86	126390.94	N 36 12 36.22 W 107 30 59.38	
	4800.00	0.87	176.41	4610.39	-11.21	-1156.75	72.64	2.00	1898108.60	126391.10	N 36 12 36.19 W 107 30 59.38	
Hold Vertical	4843.61	0.00	176.41	4654.00	-11.21	-1157.08	72.66	2.00	1898108.26	126391.12	N 36 12 36.19 W 107 30 59.38	
	4900.00	0.00	176.41	4710.39	-11.21	-1157.08	72.66	0.00	1898108.26	126391.12	N 36 12 36.19 W 107 30 59.38	
KOP, Build 9"/100'	4993.04	0.00	176.41	4803.43	-11.21	-1157.08	72.66	0.00	1898108.26	126391.12	N 36 12 36.19 W 107 30 59.38	
	5000.00	0.63	279.32	4810.39	-11.18	-1157.07	72.62	9.00	1898108.27	126391.08	N 36 12 36.19 W 107 30 59.38	
	5100.00	9.63	279.32	4909.89	-2.46	-1155.63	63.81	9.00	1898109.83	126392.29	N 36 12 36.20 W 107 30 59.49	
	5200.00	18.63	279.32	5006.77	21.36	-1151.68	39.75	9.00	1898114.09	126393.28	N 36 12 36.24 W 107 30 59.78	
	5300.00	27.63	279.32	5098.64	59.68	-1145.33	1.04	9.00	1898120.95	126399.65	N 36 12 36.30 W 107 31 0.25	
	5400.00	36.63	279.32	5183.24	111.58	-1136.72	-51.39	9.00	1898130.24	126402.34	N 36 12 36.39 W 107 31 0.89	
	5500.00	45.63	279.32	5258.48	175.76	-1126.08	-116.22	9.00	1898141.73	126412.64	N 36 12 36.49 W 107 31 1.68	
	5600.00	54.63	279.32	5322.53	250.65	-1113.87	-191.88	9.00	1898155.13	126417.15	N 36 12 36.62 W 107 31 2.61	
Hold 60° INC	5659.70	60.00	279.32	5354.76	299.72	-1105.53	-241.45	9.00	1898163.92	126407.69	N 36 12 36.70 W 107 31 3.21	
	5700.00	60.00	279.32	5374.91	333.81	-1099.88	-275.88	0.00	1898170.02	126402.33	N 36 12 36.75 W 107 31 3.63	
KOP, Build 9"/100'	5719.70	60.00	279.32	5384.76	350.48	-1097.12	-292.72	0.00	1898173.00	126406.53	N 36 12 36.78 W 107 31 3.84	
	5800.00	67.23	279.32	5420.42	420.69	-1085.47	-363.66	9.00	1898185.57	125935.75	N 36 12 36.89 W 107 31 4.70	
	5900.00	76.23	279.32	5451.74	513.35	-1070.11	-457.26	9.00	1898202.15	125842.34	N 36 12 37.05 W 107 31 5.84	
	6000.00	85.23	279.32	5487.64	609.66	-1054.14	-554.55	9.00	1898219.39	125745.27	N 36 12 37.20 W 107 31 7.03	
Landing Point	6060.64	90.68	279.32	5470.00	668.83	-1044.33	-614.33	9.00	1898229.98	125685.62	N 36 12 37.30 W 107 31 7.76	
	6100.00	90.68	279.32	5469.53	707.28	-1037.96	-653.17	0.00	1898238.86	125646.86	N 36 12 37.36 W 107 31 8.23	
	6200.00	90.68	279.32	5488.34	804.96	-1021.77	-751.84	0.00	1898254.34	125548.40	N 36 12 37.52 W 107 31 9.44	
	6300.00	90.68	279.32	5497.15	902.63	-1005.57	-850.52	0.00	1898271.83	1254425		

Comments	MD (ft)	Incl (°)	Azim True (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' '')	Longitude (E/W ° ' '')
	6700.00	90.68	279.32	5462.38	1293.33	-940.80	-1245.21	0.00	18983441.75	125056.11	N 36 12 38.32	W 107 31 15.46
	6800.00	90.68	279.32	5461.19	1391.01	-924.61	-1343.88	0.00	1898359.23	124957.65	N 36 12 38.48	W 107 31 16.66
	6900.00	90.68	279.32	5460.00	1488.69	-908.42	-1442.55	0.00	1898376.72	124859.19	N 36 12 38.64	W 107 31 17.87
	7000.00	90.68	279.32	5458.80	1586.36	-892.22	-1541.23	0.00	1898394.20	124760.73	N 36 12 38.80	W 107 31 19.07
	7100.00	90.68	279.32	5457.61	1684.04	-876.03	-1639.90	0.00	1898411.68	124662.28	N 36 12 38.96	W 107 31 20.27
	7200.00	90.68	279.32	5456.42	1781.71	-859.84	-1738.57	0.00	1898429.16	124563.82	N 36 12 39.12	W 107 31 21.48
	7300.00	90.68	279.32	5455.23	1879.39	-843.65	-1837.25	0.00	1898446.64	124465.36	N 36 12 39.28	W 107 31 22.68
	7400.00	90.68	279.32	5454.04	1977.07	-827.45	-1935.92	0.00	1898464.12	124366.90	N 36 12 39.44	W 107 31 23.89
	7500.00	90.68	279.32	5452.85	2074.74	-811.26	-2034.59	0.00	1898481.60	124268.44	N 36 12 39.60	W 107 31 25.09
	7600.00	90.68	279.32	5451.67	2172.42	-795.07	-2133.27	0.00	1898499.08	124169.98	N 36 12 39.76	W 107 31 26.29
	7700.00	90.68	279.32	5450.48	2270.09	-778.88	-2231.94	0.00	1898516.58	124071.52	N 36 12 39.92	W 107 31 27.50
	7800.00	90.68	279.32	5449.29	2367.77	-762.69	-2330.61	0.00	1898534.04	123973.06	N 36 12 40.08	W 107 31 28.70
	7900.00	90.68	279.32	5448.10	2465.45	-746.50	-2429.29	0.00	1898551.52	123874.60	N 36 12 40.24	W 107 31 29.91
	8000.00	90.68	279.32	5446.91	2563.12	-730.30	-2527.96	0.00	1898569.00	123776.14	N 36 12 40.40	W 107 31 31.11
	8100.00	90.68	279.32	5445.73	2660.80	-714.11	-2626.63	0.00	1898586.48	123677.69	N 36 12 40.56	W 107 31 32.31
	8200.00	90.68	279.32	5444.54	2758.47	-697.92	-2725.31	0.00	1898603.96	123579.23	N 36 12 40.73	W 107 31 33.52
	8300.00	90.68	279.32	5443.35	2856.15	-681.73	-2823.98	0.00	1898621.44	123480.77	N 36 12 40.89	W 107 31 34.72
	8400.00	90.68	279.32	5442.17	2953.83	-665.54	-2922.65	0.00	1898638.92	123382.31	N 36 12 41.05	W 107 31 35.93
	8500.00	90.68	279.32	5440.98	3051.50	-649.35	-3021.33	0.00	1898656.40	123283.85	N 36 12 41.21	W 107 31 37.13
	8600.00	90.68	279.32	5439.79	3149.18	-633.16	-3120.00	0.00	1898673.88	123185.39	N 36 12 41.37	W 107 31 38.33
	8700.00	90.68	279.32	5438.61	3246.86	-616.97	-3218.67	0.00	1898691.36	123086.93	N 36 12 41.53	W 107 31 39.54
	8800.00	90.68	279.32	5437.42	3344.53	-600.78	-3317.35	0.00	1898708.84	122988.47	N 36 12 41.69	W 107 31 40.74
	8900.00	90.68	279.32	5436.24	3442.21	-584.59	-3416.02	0.00	1898726.32	122890.01	N 36 12 41.85	W 107 31 41.95
	9000.00	90.68	279.32	5435.05	3539.89	-568.40	-3514.69	0.00	1898743.79	122791.55	N 36 12 42.01	W 107 31 43.15
	9100.00	90.68	279.32	5433.87	3637.56	-552.21	-3613.37	0.00	1898761.27	122693.09	N 36 12 42.17	W 107 31 44.36
	9200.00	90.68	279.32	5432.68	3735.24	-536.02	-3712.04	0.00	1898778.75	122594.63	N 36 12 42.32	W 107 31 45.56
	9300.00	90.68	279.32	5431.50	3832.92	-519.83	-3810.72	0.00	1898796.23	122496.17	N 36 12 42.48	W 107 31 46.76
	9400.00	90.68	279.32	5430.32	3930.59	-503.64	-3909.39	0.00	1898813.71	122397.71	N 36 12 42.64	W 107 31 47.97
	9500.00	90.68	279.32	5429.14	4028.27	-487.45	-4008.06	0.00	1898831.19	122299.25	N 36 12 42.80	W 107 31 49.17
	9600.00	90.68	279.32	5427.95	4125.95	-471.26	-4106.74	0.00	1898848.66	122200.80	N 36 12 42.96	W 107 31 50.38
	9700.00	90.68	279.32	5426.77	4223.62	-455.07	-4205.41	0.00	1898866.14	122102.34	N 36 12 43.12	W 107 31 51.58
	9800.00	90.68	279.32	5425.59	4321.30	-438.88	-4304.08	0.00	1898883.62	122003.88	N 36 12 43.28	W 107 31 52.78
	9900.00	90.68	279.32	5424.41	4418.98	-422.69	-4402.76	0.00	1898901.10	121905.42	N 36 12 43.44	W 107 31 53.99
	10000.00	90.68	279.32	5423.23	4516.65	-406.50	-4501.43	0.00	1898918.57	121806.96	N 36 12 43.60	W 107 31 55.19
	10100.00	90.68	279.32	5422.04	4614.33	-390.31	-4600.11	0.00	1898936.05	121708.50	N 36 12 43.76	W 107 31 56.40
	10200.00	90.68	279.32	5420.86	4712.01	-374.12	-4698.78	0.00	1898953.53	121610.04	N 36 12 43.92	W 107 31 57.60
	10300.00	90.68	279.32	5419.68	4809.68	-357.94	-4797.45	0.00	1898971.01	121511.58	N 36 12 44.08	W 107 31 58.80
	10400.00	90.68	279.32	5418.50	4907.36	-341.75	-4896.13	0.00	1898988.48	121413.12	N 36 12 44.24	W 107 32 0.01
	10500.00	90.68	279.32	5417.32	5005.04	-325.56	-4994.80	0.00	1899005.96	121314.66	N 36 12 44.40	W 107 32 1.21
	10600.00	90.68	279.32	5416.14	5102.71	-309.37	-5093.48	0.00	1899023.44	121216.20	N 36 12 44.56	W 107 32 2.42
	10700.00	90.68	279.32	5414.96	5200.39	-293.18	-5192.15	0.00	1899040.91	121117.74	N 36 12 44.72	W 107 32 3.62
Chaco 2306-19E #189H BHL	10781.83	90.68	279.32	5414.00	5280.32	-279.94	-5272.89	0.00	1899055.21	121037.17	N 36 12 44.85	W 107 32 4.61

Survey Type: Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	1	0.000	14.000	1/100.000	30.000	30.000	SLB_MWD-STD-Depth Only	Original Hole / Chaco 2306-19E #189H R2 mdr 04Apr14
	1	14.000	10781.826	1/100.000	30.000	30.000	SLB_MWD-STD	Original Hole / Chaco 2306-19E #189H R2 mdr 04Apr14

McMillan, Michael, EMNRD

From: Riley, Heather <Heather.Riley@wpxenergy.com>
Sent: Thursday, August 21, 2014 3:28 PM
To: McMillan, Michael, EMNRD
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

I'm sorry Michael. We sign the official "As Drilled" C-102s and they are already on record with the OCD. I thought that the copies I send in my NSL application are just courtesy copies not requiring signatures. I will get these to you.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, August 21, 2014 3:26 PM
To: Riley, Heather
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

Ms. Riley:

Can you sign and e-mail me C102's for the 188H and 189H? The C-102 has the survey signed, but not company representative.

Thank You

Michael McMillan

From: Riley, Heather [<mailto:Heather.Riley@wpxenergy.com>]
Sent: Monday, August 18, 2014 1:38 PM
To: McMillan, Michael, EMNRD
Cc: Felix, Andrea; Granillo, Lacey; Heil, Mark; Higgins, Larry; Bassett, Chuck; Richardson, Amy; McQueen Jr, Ken
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

Mr. McMillan,

Attached are perforation views showing distances from section lines as outlined in your request below. You should have also received a letter from our Landman under a separate email as requested.

Please let me know if any additional information is needed.

Thank you,

Heather Riley
Regulatory Team Lead
WPX Energy
P. O. Box 640
Aztec, NM 87410
(970) 749-8747 (cell)
(505) 333-1822 (office)
heather.riley@wpxenergy.com

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Monday, August 11, 2014 2:31 PM

McMillan, Michael, EMNRD

From: Riley, Heather <Heather.Riley@wpxenergy.com>
Sent: Thursday, August 21, 2014 4:07 PM
To: McMillan, Michael, EMNRD
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

This looks good. Thank you for the clarification.

Heather Riley
Regulatory Manager, San Juan Asset Team
WPX Energy
P. O. Box 640
Aztec, NM 87410
(970) 749-8747 (cell)
(505) 333-1822 (office)
heather.riley@wpxenergy.com

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Thursday, August 21, 2014 4:06 PM
To: Riley, Heather
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

Ms. Riley:

I am not sure that your portion that you wrote would honor the C-102 for each well.

Here is an alternative that may solve the problem.

NSP for the 188H

The operator shall share the allowable with the Chaco 2306-19E No. 189H for the units that both wells penetrate. The common units are SW/4 NE/4 and SE/4 NW/4 of Section 24. It will receive its full share for the N/2 NW/4 and SE/4 NE/4 of Section 24.

NSP for 189H

The operator shall share the allowable with the Chaco 2306-19E No. 188H for the units that both wells penetrate. The common units are SW/4 NE/4 and SE/4 NW/4 of Section 24. It will receive its full share for the N/2 SE/4 and SW/4 NW/4 of Section 24.

Give me your feedback, because the cum production does not change

Michael McMillan

From: Riley, Heather [mailto:Heather.Riley@wpxenergy.com]
Sent: Thursday, August 21, 2014 3:52 PM
To: McMillan, Michael, EMNRD
Cc: McQueen Jr, Ken; Granillo, Lacey; Higgins, Larry
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

Michael,

Would you please amend our NSL and NSP applications for the #188H and #189H wells to include the following if it meets your approval:

Where multiple horizontal wellbores cross the same 40 acre units and have included those 40 acres in its proration unit, the allowables are to be prorated between the two creating a 320 acre combined proration unit. The allowables for the 320 acres would be 856 barrels of oil per day.

Heather Riley
Regulatory Manager, San Juan Asset Team
WPX Energy
P. O. Box 640
Aztec, NM 87410
(970) 749-8747 (cell)
(505) 333-1822 (office)
heather.riley@wpxenergy.com

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, August 21, 2014 3:31 PM
To: Riley, Heather
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

Ms. Riley
IF they are as-drilled, then no signature is required.
How is the letter going for the allowables we discussed today?
Michael McMillan

From: Riley, Heather [<mailto:Heather.Riley@wpxenergy.com>]
Sent: Thursday, August 21, 2014 3:28 PM
To: McMillan, Michael, EMNRD
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

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To: Riley, Heather
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

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Sent: Monday, August 18, 2014 1:38 PM
To: McMillan, Michael, EMNRD
Cc: Felix, Andrea; Granillo, Lacey; Heil, Mark; Higgins, Larry; Bassett, Chuck; Richardson, Amy; McQueen Jr, Ken
Subject: RE: Chaco 2306-19E #205H,Chaco 2306-19E #189H,Chaco 2306-19E #188H

Mr. McMillan,