

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30-039-26557
5. Indicate Type of Lease STATE FEDERAL X
6. State Oil & Gas Lease No. SF-078766
7. Lease Name or Unit Agreement Name Rosa Unit
8. Well Number 165B
9. OGRID Number 120782
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

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 x Other
2. Name of Operator WPX Energy Production, LLC
3. Address of Operator P.O. Box 640, Aztec, NM 87410
4. Well Location 1465' FNL & 225' FWL Section 25 Township 31N Range 06W NMPM County RIO ARRIBA

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6311'

Pit or Below-grade Tank Application or Closure
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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
SUBSEQUENT REPORT OF: REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPNS. P AND A CASING/CEMENT JOB
OTHER: X Commingle

- i. Pre-approved Pool Division Order R-13122.
ii. Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
iii. Perforated intervals: Blanco MV 5320' - 5786', Basin Dakota 7786' - 7914'.
iv. Fixed percentage allocation based upon production data of 39.1% Blanco MV and 60.9% Basin Dakota. This is based on the historic MV/DK of this well. See attached recommendation for details. This allocation may be adjusted at a later date based on a spinner survey after production has stabilized.
v. Commingling will not reduce the value of reserves.
vi. Interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
vii. The BLM has been notified on sundry notice form 3160-5.

DHC 3901 A2

OIL CONS. DIV DIST. 3

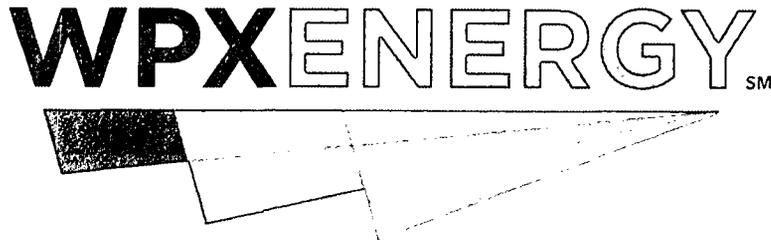
JUL 23 2014

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines, a general permit or an (attached) alternative OCD-approved plan.

SIGNATURE [Signature] TITLE Regulatory Specialist DATE 7/22/2014

Type or print name: Larry Higgins E-mail address: larry.higgins@wpxenergy.com Telephone No. 505-333-1808

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 15 2014
Conditions of Approval (if any): FV



**Production Allocation Recommendation  
Rosa Unit #165B  
Mesa Verde/Dakota**

<b>WELLNAME:</b>	Rosa Unit #165B	<b>FIELD:</b>	San Juan
<b>LOCATION:</b>	SW/4 NW/4 Section 25E, T31N, R6W	<b>COUNTY:</b>	Rio Arriba
<b>API No.:</b>	30-039-26962	<b>Date:</b>	July 21, 2014

**Current Status:** The Rosa Unit #165B is currently a dual completion well producing from the Mesa Verde and Dakota formations. WPX Energy recommends commingling this well.

**Commingle Procedure:**

- Mesa Verde tubing will be pulled
- Dakota tubing will be pulled
- Production packer will be removed
- Well will be cleaned out to PBTD at 7930'
- A single string of 2-3/8" production tubing will be run to 7900'
- One set of wellhead facilities will be removed
- Well will be produced as a MV/DK commingle

**Allocation Method:** Historic production data from both zones in this well was reviewed and analyzed. Stable average production rates for the past two years were considered to calculate baseline allocations. WPX Energy may run a completion profiler after the well is commingled and stabilized to re-evaluate allocation percentages if post results are not as expected.

Average production rates used for baseline allocation:

Average Daily Production from well = 115 Mcfd

Average Daily Production from MV = 45 Mcfd

Average Daily Production from DK = 70 Mcfd

MV allocation = MV production / Total production = 45 Mcfd / 115 Mcfd = **39.1%**

DK allocation = DK production / Total production = 70 Mcfd / 115 Mcfd = **60.9%**