

Submit 1 Copy To Appropriate District Office
 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

Form C-103
 Revised August 1, 2011

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

WELL API NO. 30-043-21166
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V092100
7. Lease Name or Unit Agreement Name
8. Well Number CHACO 2206-16I #223H
9. OGRID Number 120782
10. Pool name or Wildcat LYBROOK GALLUP
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7194'

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
721 SOUTH MAIN AZTEC NM

4. Well Location
 Unit Letter I: 1478' feet from the SOUTH line and 280 feet from the EAST line
 Section 16 Township 22N Range 6W NMPM County SANDOVAL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: CHANGE OF OPS PLANS <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 plans to adjust the surface depth from 400' to ~320'. Attached is an updated Operational Plan.

Hold C-104 for NSL



Spud Date:

Rig Release Date:

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

SIGNATURE [Signature] TITLE PERMIT TECH III DATE 2/11/15

Type or print name _____ E-mail address: _____ PHONE: _____

For State Use Only

APPROVED BY: [Signature] SUPERVISOR DISTRICT #3 DATE FEB 20 2015
 Conditions of Approval (if any): NV

III. MATERIALS**A. CASING PROGRAM:**

Surface	12.25"	+/-320'	9 5/8	36#	J-55
Intermediate	8.75"	5,706'	7	23#	K-55
Longstring	6.125"	10,088'	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., 2,000ft., 1,500 ft., and 1,000 ft.
3. **PRODUCTION CASING:** Run 4-1/2" casing with cement nose guide Float Shoe + 1 joint 4-1/2" csg.+ Float Collar. Centralizer program will be determined when Lateral is evaluated by Geoscientists and Reservoir Engineers.

C. CEMENTING:

(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:** 20 bbl (112 cu-ft) Mud Flush III spacer + Lead: 850 sx Foamed 50/50 Poz Cement. 13.0 ppg (Yield :1.43 cu-ft/ sk. / Vol: 1216 cu-ft) + 0.1% Halad 766 + 0.2% Versaset + 1.5% Chem-Foamer 760 + TAIL: 100 sx 13.5 #/gal. (Yield: 1.28 cu-ft / sk / Vol: 128 cu-ft) + 0.2% Versaset + 0.15% HALAD-766. + F. Water Displacement (1,511 cu-ft) + 100 sx Top-Out Cement Premium: Yield: (1.17 cu-ft/ sk (Vol: 117 cu-ft). Est TOC: Surface. Test Casing to 1500 PSI for 30 minutes. Total Volume: (2021 cu-ft/1050 sx/260 bbls).
3. **PRODUCTION CASING:** **STAGE 1:** 40 bbl (224.6 cu-ft) KCL water Spacer + **STAGE 2:**10 bbl (56.cu-ft) Fr Water Spacer.+ **STAGE 3:**40 bbl 10 ppg. (224.6 cu-ft) Tuned Spacer III + 0.2 gal/bbl Musol + 38.7 ppb Barite + 0.5 gal/bbl SEM-7. + **STAGE 4:** 10 bbl Fr Water Spacer.+ **STAGE 5:** Lead Cement, 70 sx Premium cmt + 0.1% Halad-766, Yield 1.16 cu ft/sk, 15.8 #/gal, (70 sx / 81.2 cu ft. / 14.46 bbls) **STAGE 6:** Foamed Lead Cement: 240 sx. 50/50 Poz Standard + 0.2% Versaset + 0.2% HALAD-766 + 1.5% Chem-Foamer 760. Yield 1.43 cu-ft/sk ,13.0 ppg. (240sx / 343.2 cu-ft / 61.1bbls) + **STAGE 7:** Tail Cement : 110 sx 50/50 Poz Premium + 0.2% Versaset + .05% HALAD-766 + .05% SA-1015,Yield 1.3 cu-ft/sk,13.5 ppg. (110 sx / 143 cu ft. / 25.46 bbls) **STAGE 8:** Displace w/+/-162 bbl KCL Water. Total Cement (420 sx / 568.5 cu ft / 101.2 bbls). Mix w/ +/- 98,000 SCF Nitrogen. Est. TOC +/- 4,600 ft. Total Volume: (567.4 cu-ft / 420 sx / 101.1 bbls).

IV. COMPLETION

A. CBL

1. Run Cement Bond Log and ensure top of cement is above 7" casing shoe.

B. PRESSURE TEST

1. Pressure test 4-1/2" casing to 5000 psi max, hold at 1500 psi for 30 minutes.

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 with CTU and flowback lateral.

D. RUNNING TUBING

1. Production Tubing: Run 2-3/8", 4.7#, N-80, EUE tubing with a SN (1.91" ID) on top of bottom joint. Land tubing at landing point of curve (~5,700' 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.
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