

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. 30-039-31294
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E012079
7. Lease Name or Unit Agreement Name 132829
8. Well Number NE Chaco Com #243H
9. OGRID Number 120782
10. Pool name or Wildcat Chaco Unit NE HZ (oil)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6858'

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 Avenue, Aztec NM 87410

4. Well Location
 Unit Letter L : 1449' feet from the SOUTH line and 344' feet from the WEST line
 Unit Letter I : 1531' feet from the EAST line and 237' feet from the EAST line
 Section 16 Township 23N Range 6W NMPM County: **Rio Arriba**

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" 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 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: POST SQUEEZE <input type="checkbox"/>		OTHER: <input checked="" 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.

6/14/15-WPX completed the WellLock squeeze.

6/15/15-After drilling out and attempting to pressure test to 4000 psi, it was only able to reach 2500 psi which bled down to 800 psi in 5 minutes.

6/16/15- performed a few additional pressure tests after circulating out our foamy water that was used to drill out the WellLock plug. We were able to establish a leak off rate of ~73 psi/min. This was a 4300 psi test, that lost 3300 psi in a 45 minute timeframe.

With this reduction in leak off, we were unable to establish an injection rate that would allow successful placement of an additional squeeze without having to break down the formation. The well pressured out when pumping under ~1/2 bpm. Breaking down the formation could lead to lack of near wellbore placement, and therefore a much greater leak to contend with.

Since this damage is within the production window and leak off was minimized from the initial WellLock squeeze, WPX would like to proceed forward with the frac under the assumption that the leak off is not great enough to warrant concern once other perforations are opened. This is in lieu of a secondary squeeze that would have a minimal chance of success due to current conditions and the further increased risk associated with a casing patch option.

Spud Date:

3/26/15

Rig Release Date:

4/13/15

OIL CONS. DIV DIST. 3

JUN 19 2015

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

SIGNATURE

TITLE Permit Tech III

DATE 6/18/15

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

For State Use Only

APPROVED BY:

TITLE

DEPUTY OIL & GAS INSPECTOR

DATE

7/2/15

Conditions of Approval (if any):

DISTRICT

#3

2

6/17/15- WPX received verbal approval from NMOCD (Brandon Powell) with conditions as follows:

- Pressure test the annulus after each stage checking the leak off rate to ensure the leaking interval has not been fraced instead of the perforations.
- If it has been determined that the leaking interval has been further compromised notify the OCD with WPX's plan forward prior to proceeding.

Will follow up on completion sundry