

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, 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 3160-3 APD form.

Operator Signature Date: 11-3-16

Well information:

Operator WPX, Well Name and Number W Lybrook Unit #732H

API# 30045-35814, Section 27, Township 23 N/S, Range 9 E/W

Conditions of Approval: (See the below checked and handwritten conditions)

- ☒ Notify Aztec OCD 24hrs prior to casing & cement.
- ☒ Hold C-104 for directional survey & "As Drilled" Plat
- ☒ Hold C-104 for NSL, NSP, DHC
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ☐ Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ☒ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ☐ Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
- ☒ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ☒ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ☒ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Charlene
NMOCD Approved by Signature

4-24-2017
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

5. Lease Serial No.
NMNM118731

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
INITIAL MANCOS PA / NMNM135216A

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

8. Lease Name and Well No.
W LYBROOK UT 732H

2. Name of Operator
WPX ENERGY LLC

9. API Well No.
30-045-35814

3a. Address
720 S Main Aztec NM 87410

3b. Phone No. (include area code)
(505)333-1822

10. Field and Pool, or Exploratory
LYBROOK MANCOS W / LYBROOK MA

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface NENW / 1161 FNL / 2446 FWL / LAT 36.201957 / LONG -107.7768
At proposed prod. zone SWNE / 1595 FNL / 2308 FEL / LAT 36.215289 / LONG -107.792869

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 27 / T23N / R9W / NMP

14. Distance in miles and direction from nearest town or post office*
37.8 miles

12. County or Parish
SAN JUAN

13. State
NM

15. Distance from proposed*
location to nearest 20 feet
property or lease line, ft.
(Also to nearest drig. unit line, if any)

16. No. of acres in lease
1120

17. Spacing Unit dedicated to this well
280

OIL CONS. DIV DIST. 3

18. Distance from proposed location*
to nearest well, drilling, completed, 1161 feet
applied for, on this lease, ft.

19. Proposed Depth
4551 feet / 11713 feet

20. BLM/BIA Bond No. on file
FED: UTB000178

APR 17 2017

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6641 feet

22. Approximate date work will start*
12/01/2016

23. Estimated duration
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature
(Electronic Submission)

Name (Printed/Typed)
Lacey Granillo / Ph: (505)333-1816

Date
11/03/2016

Title
Permitting Tech III

Approved by (Signature)
Anthony A. Gallegos
Title
AFM - MUDERAS

Name (Printed/Typed)
ANTHONY A. GALLEGOS
Office
FARMINGTON

Date
4/10/2017

Application approval 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.
Conditions of approval, if any, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)

DRILLING OPERATIONS AUTHORIZED
ARE SUBJECT TO COMPLIANCE WITH
ATTACHED "GENERAL REQUIREMENTS"

This action is subject to
technical and procedural review
pursuant to 43 CFR 3165.3 and
appeal pursuant to 43 CFR 3165.4

NMOCDAV

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

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 30-045-35814 | | *Pool Code 98157 | *Pool Name LYBROOK MANCOS W |
| *Property Code 315250 | *Property Name W LYBROOK UNIT | | *Well Number 732H |
| *GRID No. 120782 | *Operator Name WPX ENERGY PRODUCTION, LLC | | *Elevation 6641' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| C | 27 | 23N | 9W | | 1161 | NORTH | 2446 | WEST | SAN JUAN |

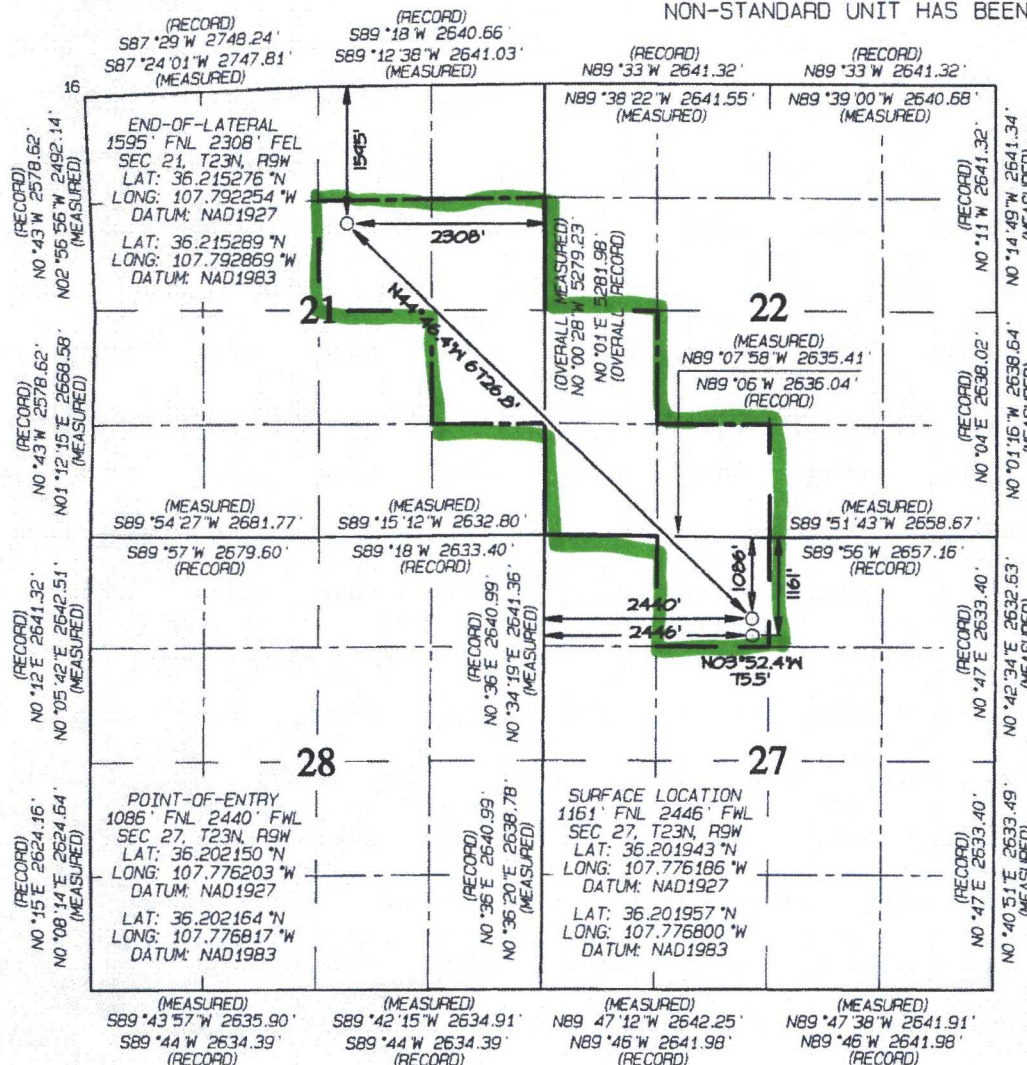
¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| G | 21 | 23N | 9W | | 1595 | NORTH | 2308 | EAST | SAN JUAN |

¹² Dedicated Acres 280.00
S/2 NE/4, NE/4 SE/4 - Section 21
W/2 SW/4, SE/4 SW/4 - Section 22
NE/4 NW/4 - Section 27

¹³ Joint or Infill ¹⁴ Consolidation Code ¹⁵ Order No.
R-14051 - 12,807.24 Acres

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 Lacey Granillo Date 11/1/16
Printed Name Lacey Granillo
E-mail Address lacey.granillo@wpxenergy.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: OCTOBER 26, 2016
Date of Survey: MARCH 10, 2016

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269



WPX Energy

Operations Plan

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

Date: November 3, 2016
Well Name: W Lybrook Unit #732H
SH Location: NENW Sec 27 23N-09W
BH Location: SWNE Sec 21 23N-09W

Field: Lybrook Mancos W
Surface:
Elevation: 6641' GR
Minerals:

Measured Depth: 11,713.43'

I. GEOLOGY

Surface formation - NACIMIENTO

A. FORMATION TOPS: (GR)

| NAME | MD | TVD | NAME | MD | TVD |
|-----------------|----------|----------|---------------|-----------|----------|
| OJO ALAMO | 180.00 | 180.00 | POINT LOOKOUT | 3,310.00 | 3,247.00 |
| KIRTLAND | 342.00 | 342.00 | MANCOS | 3,491.00 | 3,422.00 |
| PICTURED CLIFFS | 910.00 | 910.00 | GALLUP | 3,839.00 | 3,761.00 |
| LEWIS | 994.00 | 994.00 | KICKOFF POINT | 3,734.37 | 3,658.13 |
| CHACRA | 1,213.00 | 1,211.00 | TOP TARGET | 4,884.00 | 4,491.00 |
| CLIFF HOUSE | 2,352.00 | 2,318.00 | LANDING POINT | 4,986.45 | 4,500.00 |
| MENEFEE | 2,370.00 | 2,335.00 | BASE TARGET | 4,986.45 | 4,500.00 |
| | | | TD | 11,713.43 | 4,551.00 |

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 BOPE will be tested to 2,000 psi (High) for 10 minutes and the annular tested to 1,500 psi for 10 minutes. Pressure test surface casing to 1,500 psi for 30 minutes and intermediate casing to 1,500 psi for 30 minutes. Utilize a BOPE Testing Unit with a recording chart and appropriate test plug for testing. All tests and inspections will be recorded in the tour book as to time and results.

III. MATERIALS

A. CASING PROGRAM:

| CASING TYPE | OH SIZE (IN) | DEPTH (MD) | CSG SIZE | WEIGHT | GRADE | CONN |
|--------------|--------------|-----------------------|----------|----------|----------------|------|
| SURFACE | 12.25" | 320.00' | 9.625" | 36 LBS | J-55 or equiv | STC |
| INTERMEDIATE | 8.75" | 4,986.45' | 7" | 23 LBS | J-55 or equiv | LTC |
| PRODUCTION | 6.125" | 4836.45' - 11,713.43' | 4.5" | 11.6 LBS | P-110 or equiv | LTC |
| TIE BACK | 6.125" | Surf. - 4836.45' | 4.5" | 11.6 LBS | P-110 or equiv | LTC |

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 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft. If losses are encountered during the drilling of the intermediate section a DV tool will be utilized and a 2 stage cement job may be planned to ensure cement circ back to surface. The DV tool will be placed 100' above the top of the Chacra formation. If cement is circulated back to surface on the first stage, a cancellation device will be dropped to shift the dv tool closed and the 2nd stage cement job will be aborted at that time, if no cement is seen at surface on the 1st stage the stage tool will be opened and a 2nd stage cement job will be pumped.

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 + 1 RSI (Sliding Sleeve) 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.

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

C. CEMENT:

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:

Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 88 bbls, 251 sks, (494 cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 59 bbls, 254 sks, (331 cuft), 13.5 ppg @ 1.3 cuft/sk yield. Displacement: Displace w/ +/- 196 bbl Drilling mud or water. Total Cement: 147 bbls, 505 sks, (825 cuft)

3. Prod Liner:

Spacer #1: 10 bbl (56 cu-ft) Water Spacer. Spacer #2: 40 bbl 9.5 ppg (224.6 cu-ft) Treated Spacer III. Spacer #3: 10 bbl Water Spacer. Lead Cement: Extencem™ System. Yield 1.36 cuft/sk 13.3 ppg (674 sx /916 cuft /163 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/-157bbl Fr Water. Total Cement (674 sx /916bbls).

D. COMPLETION:

Run CCL for perforating

A. 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.

B. 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.

C. 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.

If this horizontal well is 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.

NOTES:

A 4-1/2" 11.6# P-110 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# J-55 Intermediate casing with a Liner Hanger and pack-off assembly then cemented to top of liner hanger.

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

WPX Energy

T23N R9W

2309-27C WLU

W Lybrook UT #732H - Slot A3

Wellbore #1

Plan: Design #1 26May16 sam

Standard Planning Report

31 May, 2016

WPX
Planning Report

| | | | |
|------------------|-----------------------|-------------------------------------|--|
| Database: | COMPASS | Local Co-ordinate Reference: | Well W Lybrook UT #732H (A3) - Slot A3 |
| Company: | WPX Energy | TVD Reference: | GL @ 6641.00usft (Original Well Elev) |
| Project: | T23N R9W | MD Reference: | GL @ 6641.00usft (Original Well Elev) |
| Site: | 2309-27C WLU | North Reference: | True |
| Well: | W Lybrook UT #732H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Design #1 26May16 sam | | |

| | | | |
|--------------------|--------------------------------------|----------------------|----------------|
| Project | T23N R9W | | |
| Map System: | US State Plane 1927 (Exact solution) | System Datum: | Mean Sea Level |
| Geo Datum: | NAD 1927 (NADCON CONUS) | | |
| Map Zone: | New Mexico West 3003 | | |

| | | | |
|------------------------------|--------------|--------------------------|-------------------|
| Site | 2309-27C WLU | | |
| Site Position: | | Northing: | 1,892,793.57 usft |
| From: | Map | Easting: | 516,861.23 usft |
| Position Uncertainty: | 0.00 usft | Slot Radius: | 13.200 in |
| | | Latitude: | 36.202053 |
| | | Longitude: | -107.776184 |
| | | Grid Convergence: | 0.03 ° |

| | | | |
|-----------------------------|------------------------------|----------------------------|------------------------------------|
| Well | W Lybrook UT #732H - Slot A3 | | |
| Well Position | +N/-S | -40.04 usft | Northing: 1,892,753.53 usft |
| | +E/-W | -0.59 usft | Easting: 516,860.66 usft |
| Position Uncertainty | 0.00 usft | Wellhead Elevation: | 0.00 usft |
| | | Latitude: | 36.201943 |
| | | Longitude: | -107.776186 |
| | | Ground Level: | 6,641.00 usft |

| | | | |
|------------------|-------------------|--------------------|----------------------------|
| Wellbore | Wellbore #1 | | |
| Magnetics | Model Name | Sample Date | Declination (°) |
| | IGRF2015 | 5/2/2016 | 9.32 |
| | | | Dip Angle (°) |
| | | | 62.89 |
| | | | Field Strength (nT) |
| | | | 49,846 |

| | | | |
|--------------------------|--------------------------------|---------------------|----------------------------|
| Design | Design #1 26May16 sam | | |
| Audit Notes: | | | |
| Version: | Phase: | PLAN | Tie On Depth: 0.00 |
| Vertical Section: | Depth From (TVD) (usft) | +N/-S (usft) | +E/-W (usft) |
| | 0.00 | 0.00 | 0.00 |
| | | | Direction (bearing) |
| | | | 315.68 |

| Plan Sections | | | | | | | | | | |
|-----------------------|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|------------------------|-----------------------|---------|--------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 750.00 | 0.00 | 0.00 | 750.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,457.45 | 14.15 | 131.52 | 1,450.28 | -57.61 | 65.07 | 2.00 | 2.00 | 0.00 | 131.52 | |
| 3,734.37 | 14.15 | 131.52 | 3,658.13 | -426.58 | 481.77 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,557.95 | 60.00 | 315.26 | 4,364.73 | -208.73 | 276.68 | 9.00 | 5.57 | -21.40 | -176.64 | Start 60 tan #732H |
| 4,657.95 | 60.00 | 315.26 | 4,414.73 | -147.22 | 215.72 | 0.00 | 0.00 | 0.00 | 0.00 | End 60 tan #732H |
| 4,825.50 | 75.08 | 315.26 | 4,478.56 | -37.55 | 107.05 | 9.00 | 9.00 | 0.00 | 0.00 | |
| 4,986.45 | 89.57 | 315.26 | 4,500.00 | 75.45 | -4.94 | 9.00 | 9.00 | 0.00 | 0.00 | POE #732H |
| 11,713.43 | 89.57 | 315.26 | 4,551.00 | 4,853.58 | -4,739.82 | 0.00 | 0.00 | 0.00 | 0.00 | BHL #732H |

WPX
Planning Report

Database: COMPASS
Company: WPX Energy
Project: T23N R9W
Site: 2309-27C WLU
Well: W Lybrook UT #732H
Wellbore: Wellbore #1
Design: Design #1 26May16 sam

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well W Lybrook UT #732H (A3) - Slot A3
GL @ 6641.00usft (Original Well Elev)
GL @ 6641.00usft (Original Well Elev)
True
Minimum Curvature

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (bearing) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|---|-----------------|-------------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 320.00 | 0.00 | 0.00 | 320.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 5/8" | | | | | | | | | |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 750.00 | 0.00 | 0.00 | 750.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Start Build 2.00 | | | | | | | | | |
| 1,000.00 | 5.00 | 131.52 | 999.68 | -7.23 | 8.16 | -10.87 | 2.00 | 2.00 | 0.00 |
| 1,457.45 | 14.15 | 131.52 | 1,450.28 | -57.61 | 65.07 | -86.68 | 2.00 | 2.00 | 0.00 |
| Hold 14.15 Inclination | | | | | | | | | |
| 1,500.00 | 14.15 | 131.52 | 1,491.54 | -64.51 | 72.85 | -97.05 | 0.00 | 0.00 | 0.00 |
| 2,000.00 | 14.15 | 131.52 | 1,976.37 | -145.53 | 164.36 | -218.95 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 14.15 | 131.52 | 2,461.20 | -226.55 | 255.87 | -340.85 | 0.00 | 0.00 | 0.00 |
| 3,000.00 | 14.15 | 131.52 | 2,946.04 | -307.58 | 347.37 | -462.75 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 14.15 | 131.52 | 3,430.87 | -388.60 | 438.88 | -584.65 | 0.00 | 0.00 | 0.00 |
| 3,734.37 | 14.15 | 131.52 | 3,658.13 | -426.58 | 481.77 | -641.79 | 0.00 | 0.00 | 0.00 |
| Start Build DLS 9.00 TFO -176.64 | | | | | | | | | |
| 4,000.00 | 9.82 | 319.54 | 3,921.62 | -430.93 | 491.53 | -651.73 | 9.00 | -1.63 | -64.74 |
| 4,500.00 | 54.79 | 315.37 | 4,333.51 | -243.42 | 311.00 | -391.44 | 9.00 | 8.99 | -0.84 |
| 4,557.95 | 60.00 | 315.26 | 4,364.73 | -208.73 | 276.68 | -342.64 | 9.00 | 9.00 | -0.18 |
| Hold 60.00 Inclination | | | | | | | | | |
| 4,657.95 | 60.00 | 315.26 | 4,414.73 | -147.22 | 215.72 | -256.04 | 0.00 | 0.00 | 0.00 |
| Start Build DLS 9.00 TFO 0.00 | | | | | | | | | |
| 4,825.50 | 75.08 | 315.26 | 4,478.56 | -37.55 | 107.05 | -101.65 | 9.00 | 9.00 | 0.00 |
| Start DLS 9.00 TFO 0.00 | | | | | | | | | |
| 4,986.00 | 89.52 | 315.26 | 4,500.00 | 75.13 | -4.62 | 56.98 | 9.00 | 9.00 | 0.00 |
| 7" | | | | | | | | | |
| 4,986.45 | 89.57 | 315.26 | 4,500.00 | 75.45 | -4.94 | 57.43 | 9.00 | 9.00 | 0.00 |
| POE at 89.57 Inc 315.26 Deg | | | | | | | | | |
| 5,000.00 | 89.57 | 315.26 | 4,500.10 | 85.08 | -14.47 | 70.98 | 0.00 | 0.00 | 0.00 |
| 5,500.00 | 89.57 | 315.26 | 4,503.89 | 440.22 | -366.40 | 570.95 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 89.57 | 315.26 | 4,507.68 | 795.37 | -718.34 | 1,070.92 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 89.57 | 315.26 | 4,511.47 | 1,150.52 | -1,070.27 | 1,570.89 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 89.57 | 315.26 | 4,515.27 | 1,505.66 | -1,422.20 | 2,070.87 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 89.57 | 315.26 | 4,519.06 | 1,860.81 | -1,774.13 | 2,570.84 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 89.57 | 315.26 | 4,522.85 | 2,215.96 | -2,126.07 | 3,070.81 | 0.00 | 0.00 | 0.00 |
| 8,500.00 | 89.57 | 315.26 | 4,526.64 | 2,571.10 | -2,478.00 | 3,570.78 | 0.00 | 0.00 | 0.00 |
| 9,000.00 | 89.57 | 315.26 | 4,530.43 | 2,926.25 | -2,829.93 | 4,070.76 | 0.00 | 0.00 | 0.00 |
| 9,500.00 | 89.57 | 315.26 | 4,534.22 | 3,281.40 | -3,181.86 | 4,570.73 | 0.00 | 0.00 | 0.00 |
| 10,000.00 | 89.57 | 315.26 | 4,538.01 | 3,636.54 | -3,533.80 | 5,070.70 | 0.00 | 0.00 | 0.00 |
| 10,500.00 | 89.57 | 315.26 | 4,541.80 | 3,991.69 | -3,885.73 | 5,570.67 | 0.00 | 0.00 | 0.00 |
| 11,000.00 | 89.57 | 315.26 | 4,545.59 | 4,346.84 | -4,237.66 | 6,070.64 | 0.00 | 0.00 | 0.00 |
| 11,500.00 | 89.57 | 315.26 | 4,549.38 | 4,701.98 | -4,589.59 | 6,570.62 | 0.00 | 0.00 | 0.00 |
| 11,713.43 | 89.57 | 315.26 | 4,551.00 | 4,853.58 | -4,739.82 | 6,784.04 | 0.00 | 0.00 | 0.00 |
| TD at 11713.43 | | | | | | | | | |

WPX
Planning Report

| | | | |
|------------------|-----------------------|-------------------------------------|--|
| Database: | COMPASS | Local Co-ordinate Reference: | Well W Lybrook UT #732H (A3) - Slot A3 |
| Company: | WPX Energy | TVD Reference: | GL @ 6641.00usft (Original Well Elev) |
| Project: | T23N R9W | MD Reference: | GL @ 6641.00usft (Original Well Elev) |
| Site: | 2309-27C WLU | North Reference: | True |
| Well: | W Lybrook UT #732H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Design #1 26May16 sam | | |

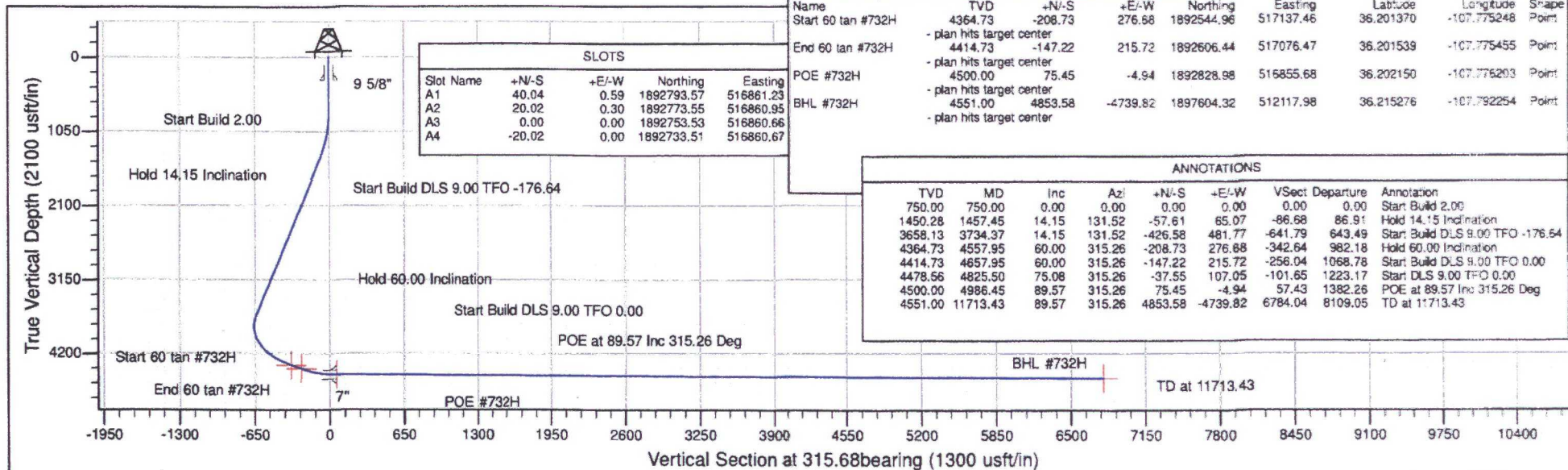
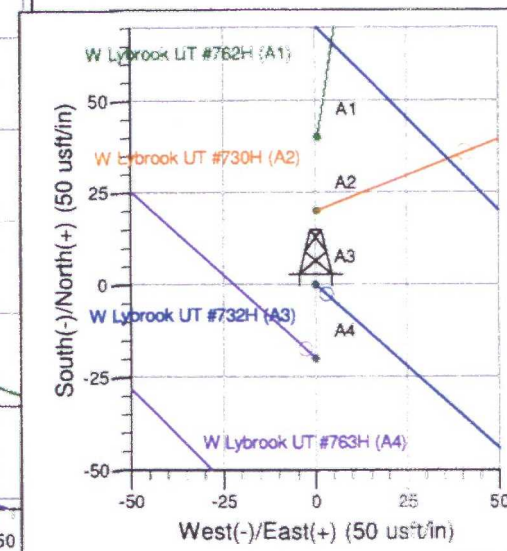
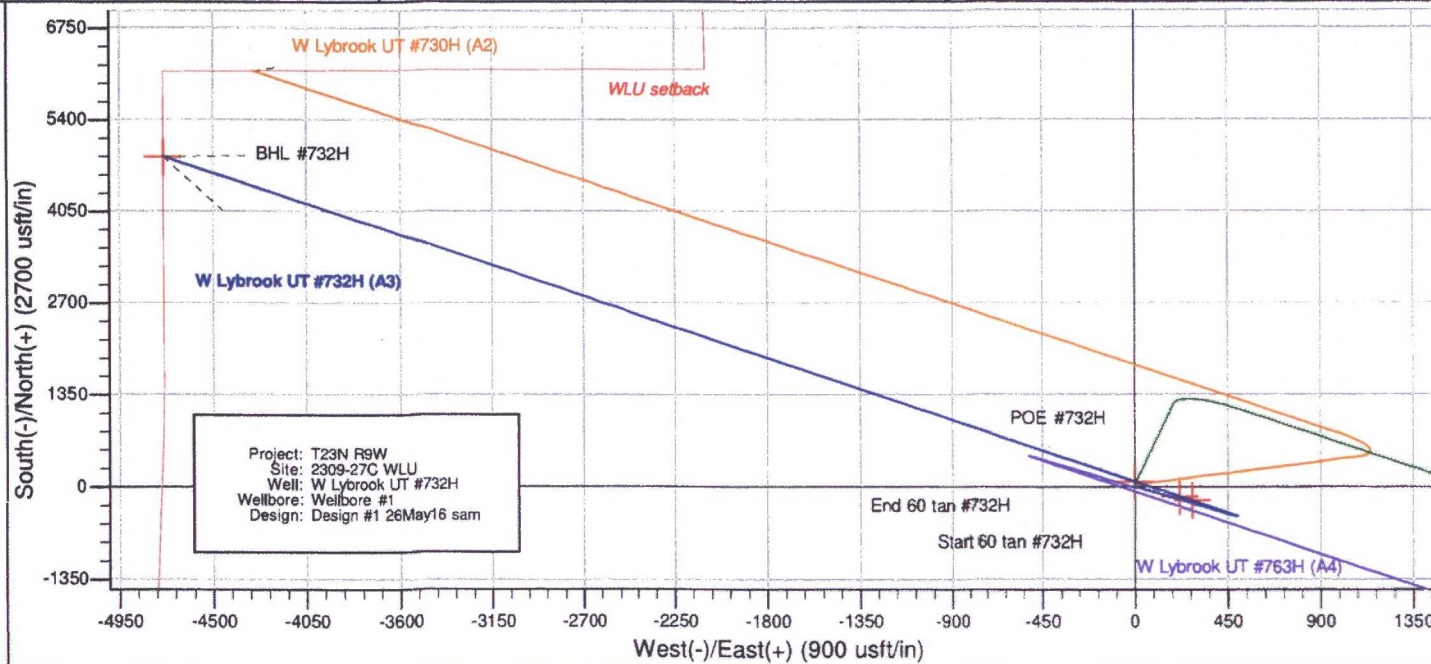
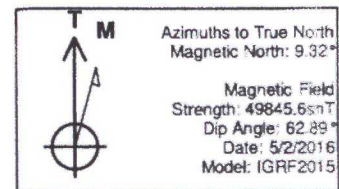
| Design Targets | | | | | | | | | |
|--|------------------|-----------------------|---------------|-----------------|-----------------|--------------------|-------------------|-----------|-------------|
| Target Name - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (bearing) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
| Start 60 tan #732H - plan hits target center - Point | 0.00 | 0.00 | 4,364.73 | -208.73 | 276.68 | 1,892,544.97 | 517,137.46 | 36.201370 | -107.775249 |
| End 60 tan #732H - plan hits target center - Point | 0.00 | 0.00 | 4,414.73 | -147.22 | 215.72 | 1,892,606.44 | 517,076.47 | 36.201539 | -107.775455 |
| POE #732H - plan hits target center - Point | 0.00 | 0.00 | 4,500.00 | 75.45 | -4.94 | 1,892,828.98 | 516,855.68 | 36.202150 | -107.776203 |
| BHL #732H - plan hits target center - Point | 0.00 | 0.00 | 4,551.00 | 4,853.58 | -4,739.82 | 1,897,604.32 | 512,117.98 | 36.215276 | -107.792254 |

| Casing Points | | | | | |
|-----------------------------|-----------------------------|--------|----------------------------|--------------------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Name | Casing Diameter (in) | Hole Diameter (in) | |
| 320.00 | 320.00 | 9 5/8" | 9.625 | 12.250 | |
| 4,986.00 | 4,500.00 | 7" | 7.000 | 8.750 | |

| Plan Annotations | | | | | |
|-----------------------------|-----------------------------|-------------------|-----------------|----------------------------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates | | | |
| | | +N/-S (usft) | +E/-W (usft) | Comment | |
| 750.00 | 750.00 | 0.00 | 0.00 | Start Build 2.00 | |
| 1,457.45 | 1,450.28 | -57.61 | 65.07 | Hold 14.15 Inclination | |
| 3,734.37 | 3,658.13 | -426.58 | 481.77 | Start Build DLS 9.00 TFO -176.64 | |
| 4,557.95 | 4,364.73 | -208.73 | 276.68 | Hold 60.00 Inclination | |
| 4,657.95 | 4,414.73 | -147.22 | 215.72 | Start Build DLS 9.00 TFO 0.00 | |
| 4,825.50 | 4,478.56 | -37.55 | 107.05 | Start DLS 9.00 TFO 0.00 | |
| 4,986.45 | 4,500.00 | 75.45 | -4.94 | POE at 89.57 Inc 315.26 Deg | |
| 11,713.43 | 4,551.00 | 4,853.58 | -4,739.82 | TD at 11713.43 | |



Well Name: W Lybrook UT #732H
Surface Location: 2309-27C WLU
NAD 1927 (NADCON CONUS) , US State Plane 1927 (Exact solution) New Mexico West 3003
Ground Elevation: 6641.00
+N/-S +E/-W Northing Easting Latitude Longitude Slot
0.00 0.00 1892753.53 516860.66 36.201943 -107.776186 A3
GL @ 6641.00usft (Original Well Elev)



- 2 As practical, the access road on the well pad will be a teardrop-shape through the area so that the center may be revegetated.
- 3 Within 90 days of installation, production facilities would be painted.
 - The production facilities will be painted Juniper Green to blend with the natural color of the landscape surrounding the well pad and would be located in efforts to the extent practical, to reasonably minimize visual impact.
- 4 Berms will be constructed around all storage facilities sufficient in size to contain the storage capacity of tanks. Berm walls will be compacted with appropriate equipment to assure containment.

After the completion phases and pipeline installation, portions of the project area not needed for operation will be reclaimed. When the wells are plugged, final reclamation will occur within the remainder of the project area. Reclamation is described in detail in the Surface Use Reclamation Plan (Appendix A).

7. METHODS FOR HANDLING WASTE

A. Cuttings

- 1 Drilling operations will utilize a closed-loop system. Drilling of the horizontal laterals will be accomplished with water-based mud. All cuttings will be placed in roll-off bins and hauled to a commercial disposal facility or land farm. WPX will follow Onshore Oil and Gas Order No. 1 regarding the placement, operation, and removal of closed-loop systems. No blow pit will be used.
- 2 Closed-loop tanks will be adequately sized for containment of all fluids.

B. Drilling Fluids

- 1 Drilling fluids will be stored onsite in above-ground storage tanks. Upon termination of drilling operations, the drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as practical. All residual fluids will be hauled to a commercial disposal facility.

C. Spills

- 1 Any spills of non-freshwater fluids will be immediately cleaned up and removed to an approved disposal site.

D. Sewage

- 1 Portable toilets will be provided and maintained during construction, as needed (see Figures 3 & 4 in Appendix B for the location of toilets).

E. Garbage and other waste material

- 1 All garbage and trash will be placed in a metal trash basket. The trash and garbage will be hauled off site and dumped in an approved landfill, as needed.

F. Hazardous Waste

- 1 No chemicals subject to reporting under Superfund Amendments and Reauthorization Act Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of these wells.
- 2 No extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of these wells.
- 3 All fluids (i.e., scrubber cleaners) used during washing of production equipment will be properly disposed of to avoid ground contamination or hazard to livestock or wildlife.

G. Produced Water:

- 1 WPX Energy will dispose of produced water from this well at one of the following facilities:
 - Lybrook Yard WDW #1, API #30-039-27533, NMOCD permit #SWD-907, operated by Elm Ridge Resources, located in NE ¼, Section 14, Township 23 North, Range 7 West
 - Jillson Federal #1, NMOCD order #R-10168, operated by ConocoPhillips, located in NW ¼, Section 8, Township 24 North, Range 3 West
 - Basin Disposal, permit #NM-01-005, located in the NW ¼, Section 3, Township 29 North, Range 11 West
 - Sunco SWD #001, API #30-045-28653, NMOCD permit SWD-457, operated by Key Energy, located in NW ¼, Section 2, Township 29 North, Range 12 West

Directions from the Intersection of US Hwy 550 & US Hwy 64
in Bloomfield, NM to WPX Energy Production, LLC W Lybrook Unit #732H
1161' FNL & 2446' FWL, Section 27, T23N, R9W, N.M.P.M., San Juan County, NM

Latitude: 36.201957°N Longitude: 107.776800°W Datum: NAD1983

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Southerly on US Hwy 550 for 37.8 miles to Mile Marker 113.4;

Go Right (South-westerly) on County Road #7890 for 0.8 miles to fork in roadway;

Go Left (Southerly) remaining on County Road #7890 for 1.3 miles to four-way intersection;

Go Left (South-easterly) remaining on County Road #7890 for 0.6 miles to fork in roadway;

Go Right (South-westerly) remaining on County Road #7890 for 0.5 miles to WPX W Lybrook Unit #720H proposed access on right-hand side of County Road #7890;

Go Right (Westerly) exiting County Road #7890 following along WPX W Lybrook Unit #720H proposed access for 3123.1' to fork in proposed access;

Go Left (Westerly) which is straight, following along WPX W Lybrook Unit #726H proposed access for 3937.3' to fork in proposed access;

Go Left (Westerly) which is straight, continuing for 10437.9' to staked WPX W Lybrook Unit #732H location.

