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January 26, 2020

Adrienne Sandoval
New Mexico Oil Conservation Division Director
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Dear Ms. Sandoval:

WPX Energy Permian, LLC. (WPX) received your email notification requesting additional information on Friday, January 24th, 2020 at 6:10pm MT. In the emailed letter, the New Mexico Oil Conservation Division (OCD) requests the following immediate actions be taken and reported to OCD within 48 hours. In the interest of promptly providing the requested information, WPX is providing this written response within the requested time frame. However, WPX's response is not intended to be a waiver of any arguments WPX may make in the future regarding this incident, and WPX reserves its right to all applicable defenses in this matter, including that the January 21, 2020 release was not a "major release" as defined by 19.15.29.7(A) NMAC. WPX reserves its right to supplement and revise this initial response if and as new information becomes available.

1. Stop the source of release and limit access to the site as necessary to protect human health and the environment.

Response: The source of the release, a flowline connected to the Ape Fee No. 1 well (API No. 30-015-42101), was stopped by about 3:30am on January 21st, 2020, approximately one hour after the incident began, when WPX shut in production from the well, preventing produced water and gas from entering the flowline.

2. Contain the materials released and prevent a threat to public health and the environment as well as monitor the release to ensure the material is effectively contained.

Response: The misted production fluids were contained within the immediate release area identified by a third-party environmental consultant. WPX hand washed the landowners' livestock and power washed their storage trailer to ensure any production fluids they may have encountered were removed. Absorbent materials were applied to the roadway next to the release.

3. Recover any free liquids and recoverable materials that can be physically removed from the surface of the area and deliver that material to a Division approved facility.

Response: Approximately ½ Barrel (BBL) of free liquids were observed at the point of the damaged flowline; however, no additional free liquids were observed outside of the WPX right of way. Free liquids were collected, and visually impacted soil was removed and hauled to a Division approved facility.

4. Commence remediation immediately.

Response: Remediation has commenced. Free liquids were collected, and visually impacted soil was removed and hauled to a Division approved facility. Microblaze, a non-toxic product designed to aid in the dispersal of any hydrocarbons, was applied with Landowner consent to the affected area. The third-party environmental consultant returned to the site with both WPX and the Landowner present to collect soils samples in accordance with OCD's Closure Criteria for Soils Impacted by a Release. In addition, a radiological field screening was performed by a third-party contractor on January 23, 2020 and was indicative of background radiological conditions for the area. WPX will provide the OCD with field screening results as well as any laboratory data received by Wednesday, January 29, 2020.

Within 24 hours of discovery, WPX left a phone message with OCD's District 2 Supervisor and followed the phone call with an email informing the OCD that an incident had occurred. This email was referenced by OCD in the Request for Confirmation of Compliance with 19.15.29 NMAC letter.

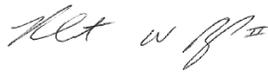
While WPX is still preparing calculations to estimate the volumes, the release constituted less than 25 BBL of produced water and less than 500 MCF of gas. Although emergency services were initially contacted, WPX does not believe the release endangered public health or resulted in substantial damage to property or the environment. Because emergency services were involved, WPX elected to notify the OCD out of an abundance of caution.

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WPX Energy works diligently to protect our employees, the environment and the communities in which we work. We believe that the responses to this incident demonstrate our commitment to preserving the environment and working cooperatively with the OCD.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert W. Raup II". The signature is written in a cursive style with a horizontal line underneath.

Robert W. Raup II
HSE Supervisor
WPX Energy Production, LLC

Enclosure: Initial C-141 Notification