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January 29, 2020

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

Re: Ape Fee #001 (API 30-015-42101)

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) requested the following information by the end of business on January 29, 2020. 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 and pursuant to the time frames allowed under 19.15.29 NMAC.

1. Soil sampling of the affected area;

Response: Soil sampling has occurred by a third-party environmental consultant, LT Environmental, Inc. (LTE), and the results can be found in the attached Ape Fee #001 Remediation Plan (Remediation Plan).

2. Detailed composition analysis of the oil and produced water on site;

Response: WPX continues working to provide a detailed composition analysis of both the produced water and oil; however, the well has remained shut in since the incident occurred.

3. FracFocus disclosure for the site;

Response: The Ape Fee #001 well was drilled and completed by Mack Energy Corporation in 2014. A review of the FracFocus website did not reveal any data for the well. The Well Completion reports are located in the Well File Search of the OCD website.

4. Verification that the flowline has been adequately fixed;

Response: WPX has repaired the Ape Fee #001 flowline; however, production at the facility has not re-commenced since the incident and the well remains shut in. Prior to startup, the flowline will be pressure tested to API Recommended Practices, ensuring the repairs meet industry standards. WPX will notify OCD when pressure testing is going to occur in the event OCD would like to be present.

5. Delineation of the affected area, including persons, animals and property;

Response: Delineation of the affected area has occurred by a third-party environmental consultant and can be found in the attached Remediation Plan. In addition, on the date of the incident, with the landowners' consent, WPX hand-washed animals that may have been sprayed by the release. WPX is in the process, as allowed by 19.15.29.11 NMAC, to delineate the affected area, including any affected areas on the adjoining landowners' property. WPX has reached out to the landowners and has offered to pay for boarding the animals at the Desert Willow Veterinary Service in Carlsbad where the landowners' chickens and goat are currently located.

6. Remediation Plan;

Response: A remediation plan, prepared by a third-party environmental consultant, LTE, is attached.

7. WPX internal response plan for human contact with produced water.

Response: A WPX - Safety Data Sheet for Produced Water is attached which shall serve as a response plan for human contact with produced water.

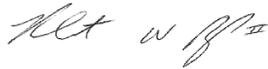
While WPX is continuing to calculate the estimated volumes, the data continues to suggest the release constituted less than 25 BBL of produced water and less than 500 MCF of gas. WPX currently estimates the volume of gas lost to be approximately 75

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MCF. This estimate was determined using the maximum tubing pressure observed on the well and the diameter of the split in the flowline for an approximate 60-minute duration. In addition, the liquid volume is being estimated at 2-6 BBLs. As previously reported to the OCD, the nature of the release was misting that fell onto the surface, with only a small amount of free liquids observed in the area of the damaged flowline. The volume of produced water estimate was determined by estimating amounts based on the extent of the spill release area (Length X Width X Depth) and soil porosity.

Please do not hesitate to contact me at 701-310-5194 if you have any questions.

Sincerely,



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

Enclosure: Ape Fee #001 Remediation Plan
WPX Produced Water Safety Data Sheet