

NM OIL CONSERVATION

ARTESIA DISTRICT

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

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

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

OCT 31 2016
RECEIVED

WELL API NO.	30-015-21064
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Canal SWD	
8. Well Number	1
9. OGRID Number	246289
10. Pool name or Wildcat	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3114' GR

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 X - SWD

2. Name of Operator
RKI Exploration and Production, LLC

3. Address of Operator
3500 One Williams Center, MD 35, Tulsa, OK 74172

4. Well Location
Unit Letter L : 2175 feet from the FSL line and 838 feet from the FWL line
Section 3 Township 23S Range 27E NMPM County Eddy

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER:

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.

RKI Exploration and Production, LLC requests approval to move forward with the proposed step rate test attached.

Following the step rate test, we will file a subsequent sundry of our test outcome; and, file an application for injection pressure increase.

Proposed wellbore diagram and step rate test procedure attached.

Spud Date: 5/21/2014

Rig Release Date:

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

SIGNATURE Ashlee Fechino TITLE Regulatory Specialist DATE 10/26/2016

Type or print name Ashlee Fechino E-mail address: ashlee.fechino@wpenergy.com PHONE: 539.573.0212

For State Use Only

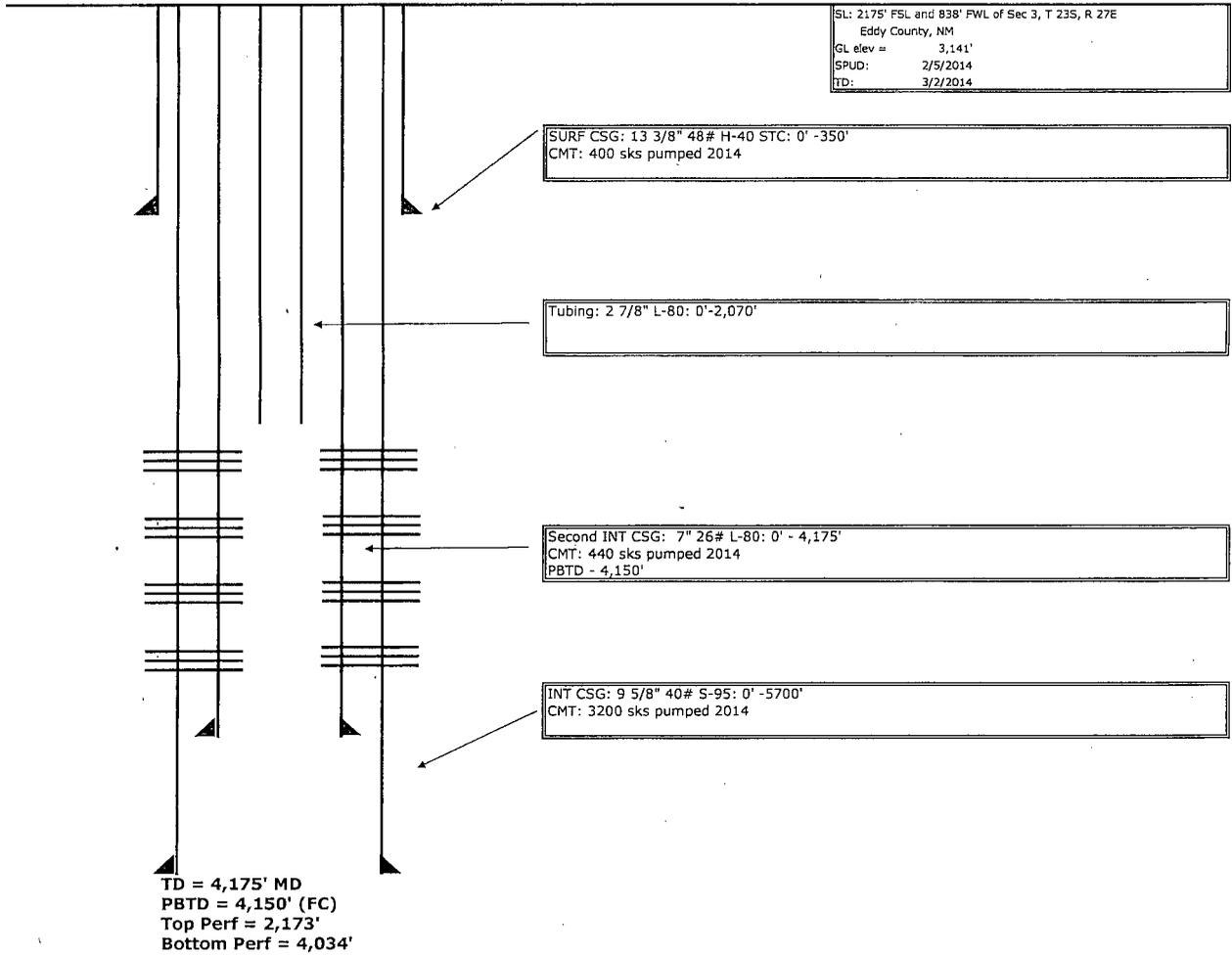
APPROVED BY: Russell Innes TITLE COMPLIANCE OFFICER DATE 11/2/16

Conditions of Approval (if any):

WPX Energy

**Canal SWD #1
Wellbore Diagram**
Canal SWD #1
Eddy County, NM
API # 30-015-21064

Retest 11/1/16





Canal #1 SWD Step Rate Test

Surface Location: 2,175' FSL & 838' FWL of Section 3, T 23S, R 27E
Eddy CO, NM
API # 30-015-21064

PROCEDURE:

- 1) Request permission from NMOCD to perform Step rate test on the Canal SWD #1
- 2) Wait on NMOCD sundry approval of sundry
- 3) MIRU workover rig and perform well operations.
- 4) Flow well back to clean up existing perforations.
- 5) Discontinue injection for minimum of 48 hours prior to beginning test.
- 6) Notify NMOCD 24 hours prior to starting step rate test.
- 7) Initiate injection at a rate 8GPM. Step up rates in 7 stages, each for 30 minutes to a maximum of 100GPM. Hold final rate for 45 minutes.
- 8) If at any stage in the Step Rate test WPX find's that there is potential for migration of the fluid from the target formation the test will be concluded.
- 9) After max rate achieved WPX will shut in and record pressures.
- 10) Conclude test and RDMO pumps.
- 11) Run MIT test on all injection equipment and chart. File MIT with NMOCD office.
- 12) Submit Step Rate Test results to OCD for approval.

WPX Contact List:

WPX	Title	Office	Cell
Jay Brenner	Completion Team Lead	405-987-2137	918-289-9252
Josh Shannon	Completion Engineer	539-573-0121	918-497-0180
Jim Auld	Completion Superintendent	575-885-1330	575-200-4191
Cody Snuggs	Completion Consultant	575-885-1313	580-339-0921
Laco Mendoza	Completion Consultant	575-885-1313	505-859-5305
Jeremy Meaux	Completion Consultant	307-233-8765	337-962-2370
Joshua Gindl	Completion Consultant	307-233-8765	970-590-9965
Joshua Richardson	Completion Consultant	307-233-8765	605-858-9907
Troyce Guinn	Completion Consultant	575-885-1313	307-315-0777
Robert Goodwin	Production Manager	539-573-3496	918-645-3688
Danny Emerson	Production Superintendent	575-885-1313	505-614-4867
Darren Hacker	Supply Chain Manager	539-573-0164	918-845-3786
Matt Hinson	VP-Permian Asset	539-573-0170	
Tom Hellman	VP- Drilling/Completions	539-573-0002	
Jay Foreman	Completions Manager	539-573-8948	303-887-6827

Vendor List:

Emergency Contacts – New Mexico:

Hospital: Carlsbad Medical Center
(575) 887-4100
2430 W. Pierce St., Carlsbad, NM 88220

Sheriff's Office: Lea County Sheriff Dept
(575) 396-3611

Eddy County Sheriff Dept
(575) 887-7551

Emergency Contacts – Texas:

Hospital: Reeves County Hospital
(432) 447-3551
2323 Texas St, Pecos TX 79772

Sheriff's Office: Reeves County Sheriff Dept
(432) 445-4901
Loving County Sheriff Dept
(432) 377-2411