

WPX requests the approval of the top of cement at 4,387 ft and waiver of the COA applied to the approved Form 2 (Doc #: 400452156) that requires a minimum of 200 ft of cement above the top of the Mesa Verde formation. Based on the attached information, WPX believes that the intent of the COA has been met as there is de minimis potential for fluid migration between any gas or water bearing formations and/or coalbeds in the uncemented interval of the well. We believe the information presented in the “Mesaverde Water Evaluation.pdf”, which was attached to Doc No. 400836405, applies to the location of this well.

WPX believes a constant fluid level is present in the production casing annulus, which is an indication of no fluid cross-zone flow. The first echometer was taken on March 11, 2015 and showed a fluid level of approximately 1053.8 ft above the surface casing shoe. The second reading was taken on April 24, 2015 and it showed a fluid level of 1100.2 ft above the surface casing shoe. These echometers usually have a variance of a couple hundred feet, so for all intents and purposes the data suggests the fluid level is not changing over time. The lack of bradenhead pressure suggests that gas is not moving behind pipe. Also, we believe the system permeability is around 10^{-3} md in the Ohio Creek Formation, if present. There is core cut from the Ohio Creek Formation in the Last Dance 43C-3- 792 (BBC/Vanguard) and the RPW 533-25-596 (Encana) wells. However, WPX does not have access to the cores nor any core analyses and the data has not been published on the COGCC website. It is recommended that you follow up with the respective operators for this data. We do not produce hydrocarbons from the Ohio Creek or stratigraphically equivalent intervals within Section 28, T6S, R96W. As a non-producing interval, no water samples have been collected nor are any TDS analyses available. There is no active injection into the Ohio Creek or stratigraphically equivalent in the WPX operated Rulison field.

Comment on Mechanical Integrity

WPX believes that when a well has no bradenhead pressure and adequate cement coverage above the shallowest proposed perforation, introducing squeeze perforations above the cement top introduces risk for cross flow. Squeeze perfs are more likely to lose mechanical integrity than new casing over the life of the well due to normal operations. Unless there are sources of bradenhead pressure behind the casing to attempt to eliminate, WPX does not encourage compromising the mechanical integrity of new casing by creating cement perforations.

We have 793 ft of cement over the top perforation. Our recommendation would be to not remediate this low TOC. If we develop bradenhead pressure, we will address the issue accordingly, which may include remediation.