(June 2015)

#### **OCD** Artesia

#### **UNITED STATES** DEPARTMENT OF THE INTERIOR

M	FORM APPROVED OMB No. 1004-0137. Expires: January 31, 2018
16	5. Lease Serial No. NMNM121473
ITED	6 If Indian Allotee or Tribe Name

BUREAU OF LAND MANA	AGEMEN	· \	i.	NIVINIVI 12 1473			
APPLICATION FOR PERMIT TO D	RILL OR	REENTER		6. If Indian, Allotee or T	ribe Nar	ne	<del>-</del>
la. Type of work:	EENTER	,		7. If Unit or CA Agreen	nent Nar	ne and N	0.
MM OIL CONSERVATION	ther <b>V</b> ngle Zone	Multiple Zone		8. Lease Name and Wel HH SO 10 P3 15H	l No.		
2. Name of Operator CHEVRON USA INC OCT 19 2016	L.		COCC	9. API Well No. 30-0/5 - 7	139:	30	
3a. Address 15 SMITH ROAD MIDLAND TX 7 RECEIVED	3b. Phone N 432-687-76	the finctude great of	4014	10. Field and Pool, or E WC-015 S262734P; V	•	-	40
Location of Well (Report location clearly and in accordance v     At surface 628 FSL & 2066 FWL	vith any State	requirements.*)		11. Sec., T. R. M. or Bli SEC 3, T26S, R27E,		•	Area
At proposed prod. zone 180' FSL & 1652 FWL  14. Distance in miles and direction from nearest town or post offi	ice*			12. County or Parish		3. State	
12.8 MILES FROM MALAGA, NM	ı		1	EDDY	N	M	·
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No of a	cres in lease	ing Unit dedicated to this well				
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  4300' Skeen 2 SW	19. Proposo TD: 10177	ed Depth ' MD: 21043'	20. BLM CA 0329	/BIA Bond No. in file			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3279 GL	22. Approx	imate date work will R 2016	start*	23. Estimated duration 30 DAYS			
	24. Atta	chments	nur unur Ville				
The following, completed in accordance with the requirements o (as applicable)	f Onshore Oi	I and Gas Order No.	1, and the I	Hydraulic Fracturing rule	per 43 C	CFR 3162	3-3
Well plat certified by a registered surveyor.     A Drilling Plan.     A Surface Use Plan (if the location is on National Forest Syste SUPO must be filed with the appropriate Forest Service Office		Item 20 above). 5. Operator certification	ication.	ns unless covered by an ex			
25. Signature Olivina de Juliano Title REGULATORY SPECIALIST		e (Printed/Typed) IAN K. FUENTES		ļ "	ate 6/07/20	16	
Approved by (Signature) /s/George MacDonell	Nam	e (Printed/Typed)		D	OCT	132	2016
Title FIELD MANAGER	Offic	ce	CAR	SBAD FIELD OFFIC	E		
Application approval does not warrant or certify that the applica applicant to conduct operations thereon.	nt holds legal	or equitable title to		in the subject lease which APPROVAL FO			

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.

#### Carlsbad Controlled Water Basin

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

(Continued on page 2)

\*(Instructions on page 2)

#### **CERTIFICATION**

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

**Executed this** 

' / */* 

. 2016

Name

Sean Cheben-Project Manager

Address:

1400 Smith Street

Houston, TX 77002

Room 40125

Office:

713-372-9382

Email:

Sean.Cheben@CHEVRON.COM

French Dr., Hobbs, NM 88240
From (575) 393-6161 Fax (575) 393-0720
District II
Bill S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Biazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

Phone. (505) 476-3460 Fax\* (505) 476-3462

## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

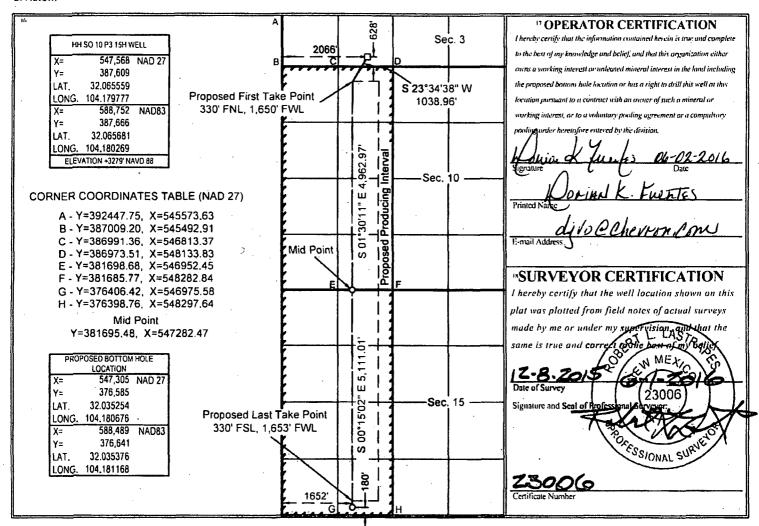
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

LAPI Number			<sup>2</sup> Pool C	Code			<sup>3</sup> Pool N	Name			
30	015-	4393	30 98141	0	WC-1	15 5262	C134P.	LOIFCAN	N		
	ty Code			<sup>5</sup> P	roperty Name		<del></del>	,	" Well Number		
311	1044			Н.	H SO 10 P3		'		15H		
,	ID No.	,		*0	perator Name				y Elevation		
432.	<u>3</u>			CHEVE	RON U.S.A. IN	C			3279'		
		_		™ Sur	face Locat	ion					
ŬL or lot aa.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	t line County		
N ·	3	26 SOUTH	27 EAST, N.M.P.M.		628'	SOUTH	2066'	WEST	EDDY		
			" Bottom F	Iole Locat	ion If Diffe	erent From S	Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	t line County		
N	15	26 SOUTH	27 EAST, N.M.P.M.		180'	SOUTH	1652'	WEST	EDDY		
12 Dedicated A	cres 13 Joi	nt or Infill	15 Consolidation Code 15	Order No.							
320	1								•		

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.



OCD Artesia AT5 -16 -694

Form 3160-3 (June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018

5. Lease Serial No.

BUREAU OF LAND MANA	AGEMEN	Γ		NMNM11808 1 (8	3108	
APPLICATION FOR PERMIT TO D	RILL OR	REENTER		6. If Indian, Allotee		
	EENTER			7. If Unit or CA Agre	eement,	Name and No.
1b. Type of Well: ✓ Oil Well ☐ Gas Well ☐ Ot	8. Lease Name and V					
1c. Type of Completion: ☐ Hydraulic Fracturing ✓ Sin	ngle Zone	Multiple Zone		HH SO 10 P3_15	H	
2. Name of Operator CHEVRON USA INC				9. API Well No.		
3a. Address 1616 W. BENDER BLVD HOBBS, NM 88240	3b. Phone N 575-263-04	io. <i>(include area cod</i> 131	de)	70. Field and Pool, o WILDCAT; WOLFC		ratory
4. Location of Well (Report location clearly and in accordance w	ith any State	requirements.*)		11. Sec., T. R. M. or	Blk. and	Survey or Area
At surface 628' FSL & 2066' FWL At proposed prod. zone 180' FML & 1652' FWL				SEC 3, T26S, R27E	≣, UL N	(SHL)
14. Distance in miles and direction from nearest town or post office 12.8 MILES FROM MALAGA, NEW MEXICO	ce*			12. County or Parish EDDY		13. State NM
15. Distance from proposed* 628 'FSL location to nearest property or lease line, ft.	16. No of ac		17. Spaci	ng Unit dedicated to th	is well	
(Also to nearest drig. unit line, if any)	TIZO ACIN		320 AC	CRES		
<ol> <li>Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.</li> </ol> SKEEN 2 SWD-CHEVI	19. Proposed Depth 20. BLM/BIA Bo TD 10,177' MD 21,043" CA 0329			/BIA Bond No. in file	A Bond No. in file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approxi	mate date work will	start*	23. Estimated duration	on	
3279' GL	OCTOBER	2016		30 DAYS		
	24 Attac	hments				
The following, completed in accordance with the requirements of (as applicable)	Opshore Oil	and Gas Order No.	1, and the F	Hydraulic Fracturing ru	le per 43	3 CFR 3162.3-3
Well plat certified by a registered surveyor.     A Drilling Plan.		4. Bond to cover the Item 20 above).		ns unless covered by an	existing	bond on file (see
A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office)		5. Operator certific 6. Such other site s BLM.		rmation and/or plans as i	may be re	equested by the
25. Signature Herrera-Michillo	I	(Printed/Typed) Y HERRERA-MUR	RILLO		Date 02/11/2	016
Title PERMITTING SPECIALIST						
Approved by (Signature)	Name	(Printed/Typed)			Date	
Title	Office				-	
Application approval does not warrant or certify that the applicant applicant to conduct operations thereon.	t holds legal o	or equitable title to t	hose rights	in the subject lease wh	ich wou	ld entitle the
Conditions of approval, if any are attached.		<u> </u>				·· <u>·</u> ·
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, m of the United States any false, fictitious or fraudulent statements of					ny depart	tment or agency

District 1
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### State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

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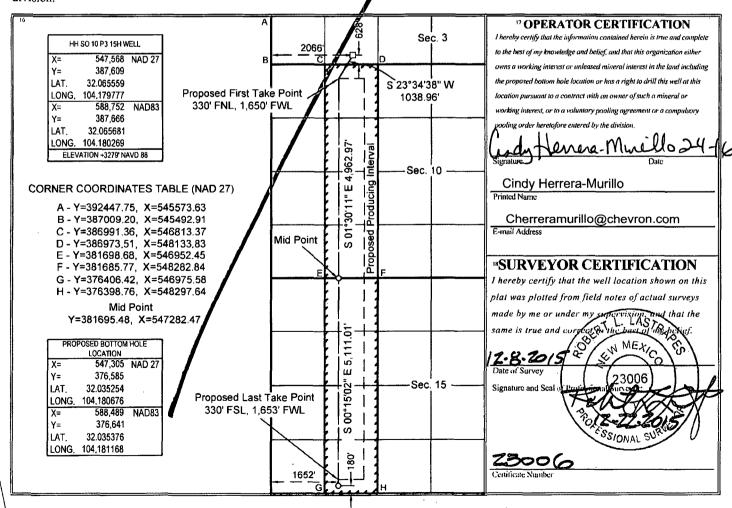
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

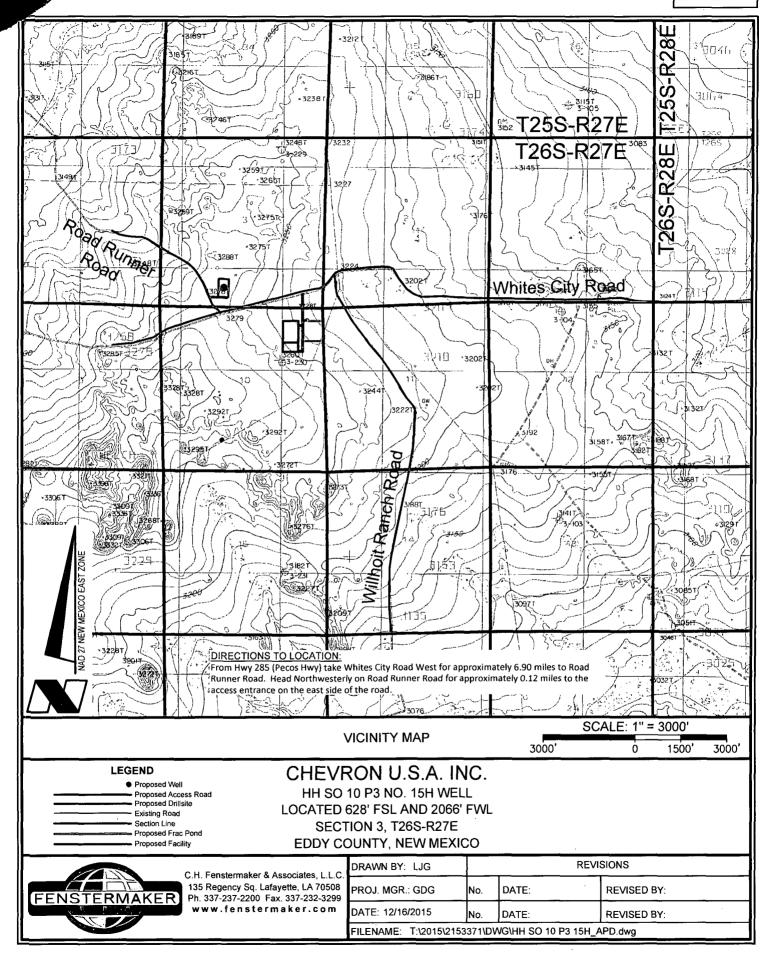
MENDED REPORT

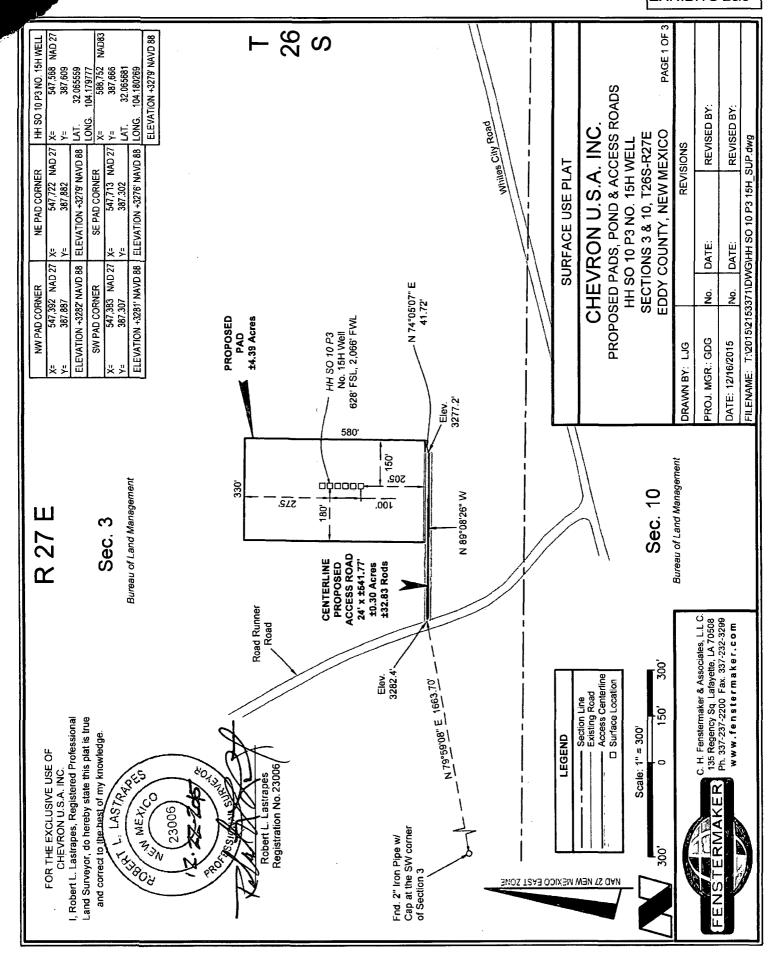
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

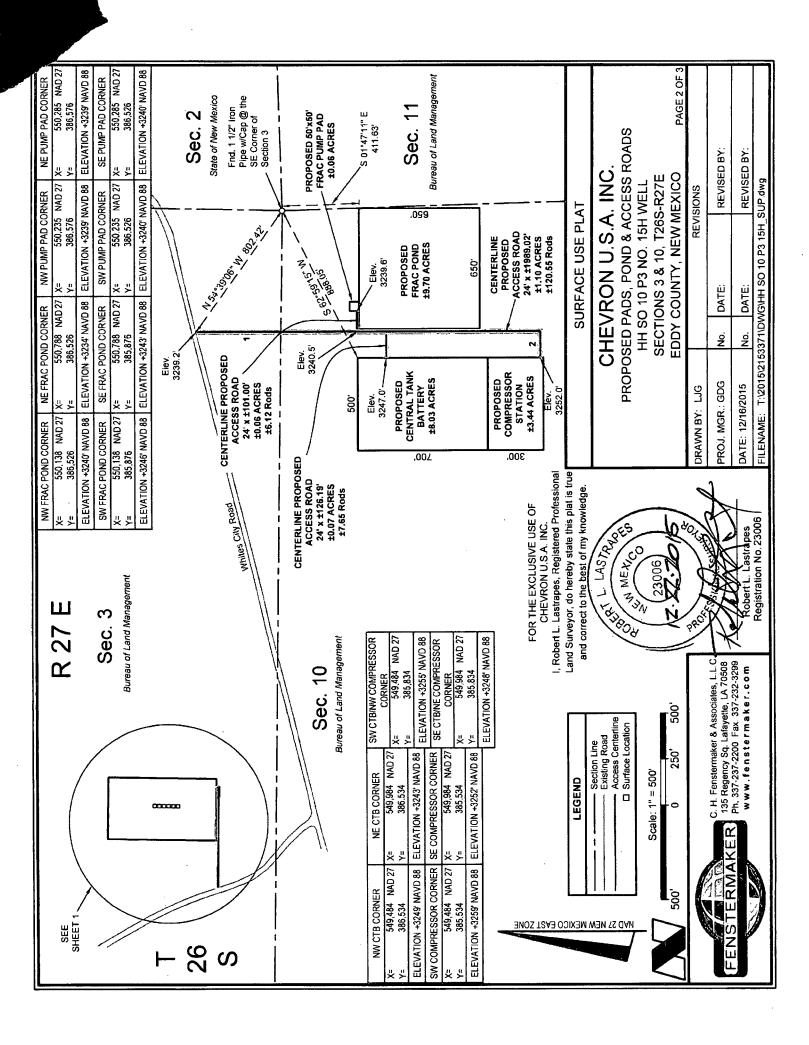
	API Number			ode			<sup>3</sup> Pool Nar	ne		
					Wildc	at; Wolfcamp	A A		j	
<sup>1</sup> Proper	ty Code			, b	roperty Name			6	Well Number	
	нн								15H	
'OGR	ID No.			8 C	perator Name		1		"Elevation	
4323 CHEV					RON U.S.A. IN	C.			3279'	
				<sup>10</sup> Sur	face Locat	ion				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
N	3	26 SOUTH	SOUTH 27 EAST, N.M.P.M. 628' SOUTH 2066'		WEST	EDDY				
			" Bottom H	ole Locat	ion If Diffe	erent From S	urface			
UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County	
N	15	26 SOUTH	27 EAST, N.M.P.M.		180'	SOUTH	1652'	WEST	EDDY	
12 Dedicated A	cres 13 Join	it or Infill	14 Consolidation Code 15	Order No.						
320						•				

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.









flood plain, or "No Rise" certification analyses, including but not limited to determining performed nor was asked to perform any type of engineering, hydrological modeling, whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or DISCLAIMER: At this time, C.H. Fenstermaker & Associates, L.L.C. has not entities using this information shall do so at their own risk

Please be advised, that while reasonable efforts are made to locate and verify pipelines and effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic cables, PVC pipelines, etc. may exist anomalies using our standard pipeline locating equipment, it is impossible to be 100 %

139.42

S 89° 54' 54" W S 00° 05' 06" E BEARING

N

1849.60

DISTANCE

COURSE

**CENTERLINE PROPOSED ACCESS ROAD** 

advisable and in most states, law, for the contractor to contact the center for assistance in Many states maintain information centers that establish links between those who dig (excavators) and those who own and operate underground facilities (operators). It is locating and marking underground utilities. For guidance, New Mexico One Call. www.nnonecall.org

I, Robert L. Lastrapes, Registered Professional Land Surveyor, do hereby state this plat is true

FOR THE EXCLUSIVE USE OF

CHEVRON U.S.A. INC.

and correct to the best of my knowledge.

CHEVRON U.S.A. INC.

SURFACE USE PLAT

PROPOSED PADS, POND & ACCESS ROADS EDDY COUNTY, NEW MEXICO SECTIONS 3 & 10, T26S-R27E HH SO 10 P3 NO. 15H WELL

REVISED BY: REVISED BY: REVISIONS DATE: DATE ġ ģ PROJ. MGR.: GDG DATE: 12/16/2015 DRAWN BY: LJG

PAGE 3 OF:

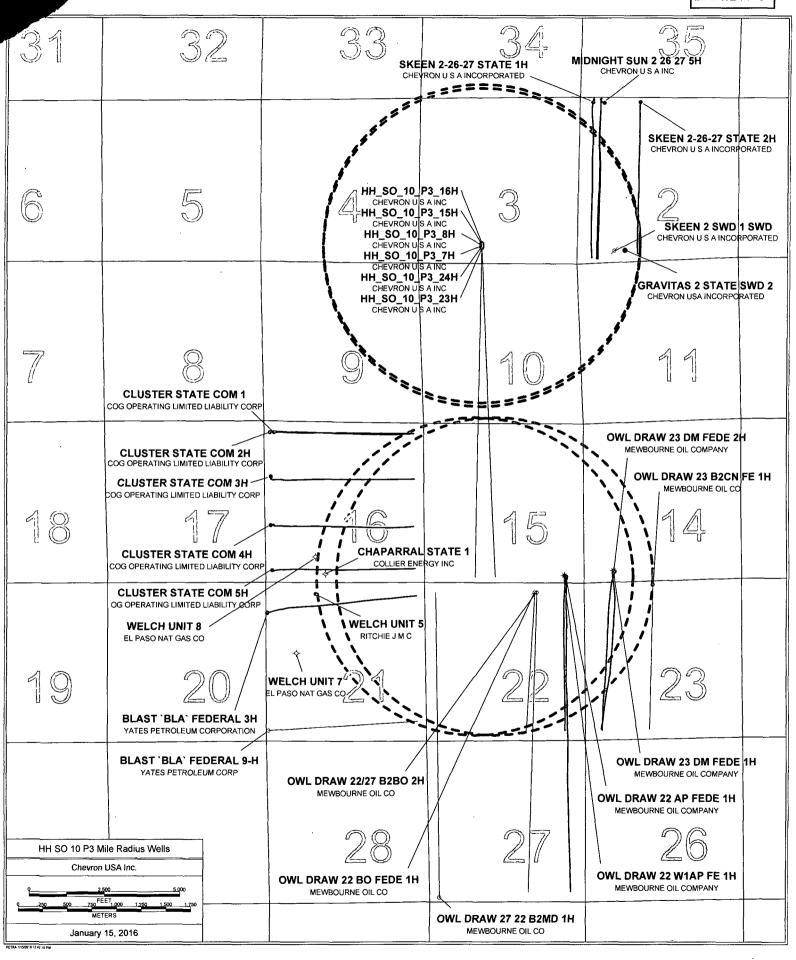
L. LASTANO , MEXICO KAJBON

C. H. Fenstermaker & Associates, L.L.C. 135 Regency Sq. Lafayette, LA 70508 Ph. 337-237-2200 Fax. 337-232-3299

www.fenstermaker.com

Registration No. 23006 Robert L. Lastrapes

FILENAME: T:2015/2153371/DWG\HH SO 10 P3 15H\_SUP.dwg



#### CONFIDENTIAL -- TIGHT HOLE DRILLING PLAN PAGE: 1

#### 1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

FORMATION	SUB-SEA TVD	KBTVD	MD
Castille		505	
Lamar		2395	
Bell	_	2310	
Cherry		3208	
Brushy		4450	· · · · · · · · · · · · · · · · · · ·
Bone Spring/Avalon		6299	
First Bone Spring Sand		6888	
First Bone Spring Shale		6914	
Second Bone Spring Sand		7621	
Harkey Sand		8123	
Third Bone Spring Sand		8617	
Wolfcamp A		9342	
Wolfcamp D		10177	
	··-		
Lateral TVD Wolfcamp D		10177	21043.30'

#### 2. ESTIMATED DEPTH OF WATER, OIL, GAS & OTHER MINERAL BEARING FORMATIONS

The estimated depths at which the top and bottom of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Deepest	Expected Base of Fresh Water	450
Water	Castille	505
Water	Cherry Canyon	3208
Oil/Gas	Brushy Canyon	4450
Oil/Gas	Bone Spring Limestone	6888
Oil/Gas	First Bone Spring Shale	6914
Oil/Gas	Second Bone Spring Sand	7621
Oil/Gas	Harkey Sand	8123
Oil/Gas	Wolfcamp A	9342
Oil/Gas	Wolfcamp D	10177

All shows of fresh water and minerals will be reported and protected.

#### 3. **BOP EQUIPMENT**

PLEASE REFERENCE MDP

10M BOP after surface casing Batch drilling

CONFIDENTIAL -- TIGHT HOLE DRILLING PLAN

#### PAGE:

#### 2

#### 4. CASING PROGRAM

Purpose	From	То	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	450'	17-1/2"	13-3/8"	54.5#	K-55	STC	New
Intermediate	0'	9,015'	12-1/4"	9-5/8"	40.0#	L-80	TXP	New
Production	0'	21,043'	8-1/2"	0"	20.0#	P-110	TXP	New

SF Calculations based on the following "Worst Case" casing design:

Surface Casing:

450'

Intermediate Casing:

9015'

Production Casing: 21043.30' MD/10,177' TVD (10,000' VS @ 90.3 deg inc)

		1112110111	10 (6) 1111 1119 1110/	
Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Surface	1.82	5.11	3.97	2.31
Intermediate	1.45	1.32	1.78	1.84
Production	1.26	1.5	2.43	1.35

Min SF is the smallest of a group of safety factors that include the following considerations:

	Surf	Int	Prod
Burst Design			
Pressure Test- Surface, Int, Prod Csg	X	X	X
P external: Water		i	Ì
P internal: Test psi + next section heaviest mud in csg			
Displace to Gas- Surf Csg	X		
P external: Water			
P internal: Dry Gas from Next Csg Point			
Frac at Shoe, Gas to Surf- Int Csg		X	
P external: Water			
P internal: Dry Gas, 15 ppg Frac Gradient			
Stimulation (Frac) Pressures- Prod Csg			Х
P external: Water			
P internal: Max inj pressure w/ heaviest injected fluid			
Tubing leak- Prod Csg (packer at KOP)			X
P external: Water			
P internal: Leak just below surf, 8.7 ppg packer fluid			
Collapse Design			
Full Evacuation	X	X	X
P external: Water gradient in cement, mud above TOC			
P internal: none			
Cementing- Surf, Int, Prod Csg	X	Х	Х
P external: Wet cement			
P internal: water			
Tension Design			
100k lb overpull	X	X	X

CONFIDENTIAL -- TIGHT HOLE DRILLING PLAN PAGE: 3

....yHurst SO 10 P3 #15H Eddy County, NM

#### 5. **CEMENTING PROGRAM**

Slurry	Туре	Cement Top	Cement Bottom	Weight	Yield	%Excess	Sacks	Water
<u>Surface</u>				(ppg)	(sx/cu ft)	Open Hole		gal/sk
Tail	Class C	0'	450'	14.8	1.33	50	356	6.37
Intermediate	``					· · · · · · · · · · · · · · · · · · ·		
Stage 2 Lead	50:50 Poz: Class C + Antifoam, Extender, Salt, Retarder	0'	1,100'	11.9	2.43	50	213	14.21
Stage 2 Tail		1,100'	2,100'	14.8	1.33	0	235	6.37
DV TOOL		2,1	00'		East y was			ing the
Stage 1 Lead	50:50 Poz: Class H + Extender, Antifoam, Retarder, Salt, Viscosifier	2,100'	8,015'	11.9	2.43	100	1524	13.76
Stage 1 Tail	Class H + Retarder, Extender, Dispersant	8,015'	9,015'	15.6	1.21	50	389	5.54
<u>Production</u>		1. 1. 1.						
Lead	50:50 Poz: Class H + Extender, Antifoam, Dispersant, , Retarder	7,015'	8,015'	14.5	1.21	100	430	5.54
Tail	Class H + Viscosifier, Antifoam, Dispersant, Fluid Loss, Retarder, Expanding Agent	8,015'	21,043'	15.6	1.2	50	3728	5.30

ÓNSHORE ORDER NO. 1 Chevron HayHurst SO 10 P3 #15H Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE DRILLING PLAN PAGE:

#### 6. MUD PROGRAM

				<u>8.5-8.7</u>	02-34	NC-NC
	From	То	Туре	Weight	F. Vis	Filtrate
E	O'	450'	Spud Mud			
	450'	9015'	OBM	9.0 - 9.5	50 -70	5.0 - 10
I	9015'	21,043'	OBM	10.0 - 13.5	50 -70	5.0 - 10

#### 7. TESTING, LOGGING, AND CORING

TYPE	Logs	Interval	Timing	Vendor
Mudlogs	2 man mudlog	Int Csg to TD	Drillout of Int Csg	TBD
LWD	MWD Gamma	Int. and Prod. Hole	While Drilling	TBD

#### 8. <u>ABNORMAL PRESSURES AND HYDROGEN SULFIDE</u> PLEASE REFERENCE MDP

STOLOT GENERAL COLOR STOLOT GE	The state of the s		-2000	The second secon	· · · · · · · · · · · · · · · · · · ·	True	-3000	0.0	ui-	٦		Н	30	3	CLO Blaumid Chewron HH SO 10 P3 #15H - Mid Point	Thorner.	0009-	24H Rav0		-7000	2 Part of the state of the stat	The second secon	0008-	 1	* '	0000		10000		 -11000	HSIM Ed 80 15 H H 20 14 H S 1 15 M S 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Chevian Fin SU 10 F5 #/ IT rew U.S. Soanto 1000 - 1000		EW (ft) Scale = 1:425(ft)	File of Charme M 10:10? Other NO. (Charme M 10:10?) Other Call Charlet	Copy ramps	1 Originator   Colby Garmon   2 (1962 Size of Colby Garmon
	Structure: Chevron HH SO 10 P3 Pad	HA SO 10 P3 8 TO Ref: R/GE(13129 above H31.) 18H Chevron HH SO 10 P3 916H Revo CJO SKJen16		2.00 0.00		-440.02 2.00	-440.02 0.00 -424.95 10.00	-283.56 0.00 -282.60 2.00							Oweren fels 50 to 12 #15H Revo CJG 08Jan18	Chevron HH SO 10 P3 #23H Revo	Chevron HH SO 10 P3 #16H RevO	Chewron HH SO 10 P3 #24H RevO		Overton HH 80 10 th strik Revo CAD distants		Cherron HH SO 10 P3 #15H - PBHL	Chewron HH SO 10 P3 #15H - Mid Ports	 1000			+			The state of the s	1	the state of the s	and a standard or book a sold in submedient maps at a part of the property of the standard or book as			Chevior III so to to the total to the total to the total to the total to	St. 1777
ron	Field: NM Eddy County (NAD 27)	NAZTY New Natoco 2018 Plain, Esterin Zoni, US Fest CORTG SACE; HAS 016 P24 HAS	0:00	0.00	2549.45 -1.81 102.19 6497.70 -49.75 159.95	-51.56	9604.05 -51.56 162.13 10177.00 523.67 -413.63	10148.73 5919.18 -5814.05 10148.40 5981.87 -5876.78	10122.00 11028.13 -10924.99		EW (tt) Scale = 1.50(ft)	0					<b>G</b>	LQ#		10#			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		-				† · · · · · · · · · · · · · · · · · · ·	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			1	Mid Point Hold to TD. 1596 MD 10146 TVD. 178.76 az.			according with the profession of the control of the
#15H - Kev0 Chevron	HH SO 10 P3 #1	Surface Location Lat: N 32 3 64.01 Lon: W 104 10 47.11	0.00 278.00 0.00	278.00	278.00		278.00		179.76		-	882			200				1		0	L(7#								4			the second secon	Chevian HH SO 10 P3 #14H 16333 MD 1	and the control of th	and the second of the second o	
Schlumberger	Borehole: Well: Original Borehole	Onwis Regents Permeters Nocei: HDOM 2015 Dip: 62,516* Deht: 30-De-2016 NegDec: 7,519* FS: 4518,7867 Onerhy FS: 984,422mgn (4,00486 Besel)	SHL 0.00		Hold 6" Inc. 2550.00		Build @ 10" DLS 9626.89 Landing Point 10529.89	SO 10 P3 #15H - Mid Point	H SO 10 P3 #15H - PBHL	2000 Build @ 2 DLS	4 4 4 manage	1 Hold 6 Inc.					COOK	Seminar of the seminar of the last transfer of the seminar of the		The second of th					-50 vsec	HOMI OK NOP TO 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				 1::	Budd @ 10' DLS it +	5		10530 MD 10177 TVD 10530 MD 10177 TVD 10530 MD 10177 TVD	10000		The second secon

2

#### Chevron HH SO 10 P3 #15H Rev0 CJG 06Jan16 Proposal Geodetic Report

### Chevron

#### (Non-Def Plan)

Report Date: Client: Field: Structure / Slot:

January 13, 2016 - 04:19 PM Chevron NM Eddy County (NAD 27) Chevron HH SO 10 P3 Pad / HH SO 10 P3 #15H

Well; Original Borehole UWI / API#:

Unknown / Unknown Chevron HH SO 10 P3 #15H Rev0 CJG 06Jan16 Survey Name: December 30, 2015

Survey Date: Tort / AHD / DDI / ERD Ratio: 103.555 ° / 11535.586 ft / 6.393 / 1.133

Coordinate Reference System: Location Lat / Long: Location Grid N/E Y/X: NAD27 New Mexico State Plane, Eastern Zone, US Feet N 32° 3' 56.01405", W 104° 10' 47.19454"

CRS Grid Convergence Angle: Grid Scale Factor:

Version / Patch:

HH SO 10 P3 #15H

N 387609.000 ftUS, E 547568.000 ftUS

0.99991168

2.8.572.0

Survey / DLS Computation: Vertical Section Azimuth: Vertical Section Origin: TVD Reference Datum: TVD Reference Elevation: Seabed / Ground Elevation: Magnetic Declination: Total Gravity Field Strength:

Gravity Model: Total Magnetic Field Strength: Magnetic Dip Angle:
Declination Date:
Magnetic Declination Model:
North Reference:
Grid Convergence Used:
Total Corr Mag North->Grid
North

North: Local Coord Referenced To:

Minimum Curvature / Lubinski 181.367 ° (Grid North) 100.009 ft, 2.000 ft

3312.000 ft above MSL 3279.000 ft above MSL

7.519° 998.4279mgn (9.80665 Based)

GARM 48169.766 nT 59.816° December 30, 2015 HDGM 2015 Grid North 0.0815 °

Structure Reference Point

7.4377°

					Loc	al Coord Referenc	:eq 10: Su	ucture Reference	Point			
Comments	MD (ft)	Incl (°)	Azim Grid	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W°'")
SHL	0.00	0.00	278.00	0.00	0.00	100.01	2.00	N/A	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	100.00	0.00	278.00	100.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	200.00	0.00	278.00	200.00	0.00	100.01	2.00	0.00	387609.00	547568.00		W 104 10 47.19
	300.00	0.00	278.00	300.00	0.00	100.01	2.00	0.00	387609.00	547568.00		W 104 10 47.19
	400.00	0.00	278.00	400.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	500.00	0.00	278.00	500.00	0.00	100.01	2.00	0.00	387609.00			W 104 10 47.19
	600.00	0.00	278,00	600.00	0.00	100.01	2.00	0.00	387609.00	547568.00		W 104 10 47.19
	700.00	0.00	278.00	700.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	800.00	0.00	278.00	800.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	900.00	0.00	278.00	900.00	0.00	100,01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	1000.00	0.00	278.00	1000.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	1100.00	0.00	278.00	1100.00	0.00	100.01	2.00	0.00	387609.00	547568.00		W 104 10 47.19
	1200,00	0.00	278.00	1200.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	1300.00	0.00	278.00	1300.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	1400.00	0.00	278.00	1400.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	1500.00	0.00	278.00	1500.00	0.00	100.01	2.00	0.00	387609.00			W 104 10 47.19
	1600.00	0.00	278.00	1600.00	0.00	100.01	2.00	0.00	387609.00			W 104 10 47.19
	1700.00	0.00	278.00	1700.00	0.00	100.01	2.00	0.00	387609.00			W 104 10 47.19
	1800.00	0.00	278.00	1800.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	1900.00	0.00	278.00	1900.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	2000.00	0.00	278.00	2000.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	2100.00	0.00	278.00	2100.00	0.00	100.01	2.00	0.00	387609.00	547568.00	N 32 3 56.01	W 104 10 47.19
	2200.00	0.00	278.00	2200.00	0.00	100.01	2.00	0.00	387609.00			W 104 10 47.19
Build @ 2° DLS	2250.00	0.00	278.00	2250.00	0.00	100.01	2.00	0.00	387609.00	547568.00		W 104 10 47.19
(2 - 5-5	2300.00	1.00	278.00	2300.00	-0.05	100.07	1.57	2.00	387609.06			W 104 10 47.20
	2400.00	3.00	278.00	2399.93	-0.45	100.56	-1,89	2.00	387609.55	547564.11	N 32 3 56.02	W 104 10 47.24
	2500.00	5.00	278.00	2499.68	-1.26	101.53	-8.80	2.00	387610.52			W 104 10 47.32
Hold 6° Inc.	2550.00	6.00	278.00	2549.45	-1.81	102.19	-13.54	2.00	387611.18	547552.46		W 104 10 47.38
6 1110.	2600.00	6.00	278.00	2599.18	-2.42	102.92	-18.72	0.00	387611.91			W 104 10 47.44
	2700.00	6.00	278.00	2698.63	-3.62	104.38	-29.07	0.00	387613.37			W 104 10 47.56
	2800.00	6.00	278.00	2798.08	-4.83	105.83	-39.42	0.00	387614.82	547526 59	N 32 3 56 07	W 104 10 47.68
	2900.00	6.00	278.00	2897.53	-6.04	107.28	-49.77	0.00	387616.28			W 104 10 47.80
	3000.00	6.00	278.00	2996.99	-7.25	108.74	-60.12	0.00	387617.73			W 104 10 47.92
	3100.00	6.00	278.00	3096.44	-8.45	110.19	-70.47	0.00	387619.18		N 32 3 56.12	
	3200.00	6.00	278.00	3195.89	-9.66	111.65	-80.82	0.00	387620.64			W 104 10 48.16
	3300.00	6.00	278.00	3295.34	-10.87	113.10	-91.17	0.00	387622.09	547474 83	N 32 3 56 14	W 104 10 48.28
	3400.00	6.00	278.00	3394.80	-12.08	114.56	-101.53	0.00	387623.55			W 104 10 48.40
	3500.00	6.00	278.00	3494.25	-13.28	116.01	-111.88	0.00	387625.00	547454.13	N 32 3 56 17	W 104 10 48.52
	3600.00	6.00	278.00	3593.70	-14.49	117.47	-122.23	0.00	387626.46		N 32 3 56.19	
	3700.00	6.00	278.00	3693.15	-15.70	118.92	-132.58	0.00	387627.91		N 32 3 56.20	W 104 10 48.76
	3800.00	6.00	278.00	3792.60	-16.91	120.38	-142.93	0.00	387629.37	547423.08	N 32 3 56.22	W 104 10 48 88
	3900.00	6.00	278.00	3892.06	-18.11	121.83	-153.28	0.00	387630.82			W 104 10 49.00
	4000.00	6.00	278,00	3991.51	-19.32	123.29	-163.63	0.00	387632.28			W 104 10 49.12
	4100.00	6.00	278.00	4090.96	-20.53	124.74	-173.98	0.00	387633.73			W 104 10 49.24
	4200.00	6.00	278.00	4190.41	-21.74	126.20	-184.33	0.00	387635.19			W 104 10 49.36
	4300.00	6.00	278.00	4289.87	-22.94	127.65	-194.69	0.00	387636.64	547371 33	N 32 3 56 29	W 104 10 49.48
	4400.00	6.00	278.00	4389.32	-24.15	129.11	-205.04	0.00	387638.09	547360.98	N 32 3 56 30	W 104 10 49.60
	4500.00	6.00	278.00	4488.77	-25.36	130.56	-215.39	0.00	387639.55			W 104 10 49.72
	4600.00	6.00	278.00	4588.22	-26.57	132.02	-225.74	0.00	387641.00		N 32 3 56.33	
	4700.00	6.00	278.00	4687.67	-27.77	133.47	-236.09	0.00	387642.46	547329.93	N 32 3 56.35	W 104 10 49.96
	4800.00	6.00	278.00	4787.13	-28.98	134.93	-246.44	0.00	387643.91	547210 58	N 32 3 56 36	W 104 10 50.08
	4900.00	6.00	278.00 278.00	4787.13 4886.58	-26.98 -30.19	136.38	-246.44 -256.79	0.00	387645.37			W 104 10 50.08
	5000.00	6.00	278.00 278.00	4886.58 4986.03	-30.19 -31.40	137.83	-256.79 -267.14	0.00	387646.82		N 32 3 56.38 N 32 3 56.39	
							-277.49	0.00				
	5100.00	6.00	278.00	5085.48	-32.60	139.29			387648.28		N 32 3 56.41	
	5200.00	6.00	278.00	5184.94	-33.81	140.74	-287.85	. 0.00	387649.73	54/2/8.18	N 32 3 56.42	W 104 10 50.56
	5300.00	6.00	278.00	5284.39	-35.02	142.20	-298.20	0.00	387651.19		N 32 3 56.44	
	5400.00	6.00	278.00	5383.84	-36.23	143.65	-308.55	0.00	387652.64		N 32 3 56.45	
	5500.00	6.00	278.00	5483.29	-37.43	145.11	-318.90	0.00	387654.10			W 104 10 50.92
	5600.00 5700.00	6.00 6.00	278.00 278.00	5582.74 5682.20	-38.64 -39.85	146.56 148.02	-329.25 -339.60	0.00 0.00	387655.55 387657.00			W 104 10 51.04 W 104 10 51.16
	3100.00											
	5800.00	6.00	278.00	5781.65	-41.06	149.47	-349.95	0.00	387658.46		N 32 3 56.51	
	5900.00	6.00	278.00	5881.10	-42.26	150.93	-360.30	0.00	387659.91		N 32 3 56.52	
	6000.00	6.00	278.00	5980.55	-43.47	152.38	-370.65	0.00	387661.37			W 104 10 51.52
	6100.00	6.00	278.00	6080.00	-44.68	153.84	-381.01	0.00	387662.82		N 32 3 56.55	
	6200.00	6.00	278.00	6179.46	-45.89	155.29	-391.36	0.00	387664.28	34/1/4.68	N 32 3 56.57	VV 104 10 51./6

Comments	MD	Incl	Azim Grid	TVD	VSEC	NS	EW	DLS	Northing	Easting	Latitude	Longitude
	(ft)	<u>(°)</u>		(ft)	(ft)	(ft)	(ft)	(°/100ft)	(ftUS)	(ftUS)	(N/S * ' ")	(E/W * ' ")
	14700.00	90.30	178.50	10155.18	4688.51	-4582.25	-315.81	0.00	382927.16	547250.22	N 32 3 9.68	
	14800.00	90.30	178.50	10154.65	4788.38	-4682.21	-313.19	0.00	382827.21	547252.84	N 32 3 8.69	W 104 10 50.94
	14900.00	90.30	178.50	10154.13	4888.25	-4782.18	-310.57	0.00	382727.25	547255 46	N 32 3 7.71	W 104 10 50 91
	15000.00	90.30	178.50	10153.61	4988.13	-4882.14	-307.95	0.00	382627.30	547258.07	N 32 3 6.72	
	15100.00	90.30	178.50	10153.09	5088.00	-4982.11	-305.34	0.00	382527.34	547260.69	N 32 3 5.73	
	15200.00	90.30	178.50	10152.56	5187.87	-5082.07	-302.72	0.00	382427.39	547263.31	N 32 3 4.74	
	15300.00	90,30		10152.04	5287.75	-5182.04	-300.10	0.00	382327.43		N 32 3 3.75	
	15300.00	90,30	178.50	10132.04	3207.73	-3102.04	*300.10	0.00	302327.43	347203.92	N 32 3 3.73	VV 104 10 30.79
	45 400 00	00.00	470.50	40454.50	5257.50		207.42	0.00	202227 42	£ 47000 £ 4		141 404 40 50 70
	15400.00	90.30	178.50	10151.52	5387.62	-5282.00	-297.49	0.00	382227.48		N 32 3 2.76	
	15500.00	90.30	178.50	10150.99	5487.49	-5381.96	-294.87	0.00	382127.52		N 32 3 1.77	
	15600.00	90.30	178.50	10150.47	5587.37	-5481.93	-292.25	0.00	382027.57	547273.78	N 32 3 0.78	
	15700.00	90.30	178.50	10149.95	5687.24	-5581.89	-289.63	0.00	381927.61		N 32 2 59.79	
	15800.00	90.30	178.50	10149.42	5787.12	-5681.86	-287.02	0.00	381827.66	547279.01	N 32 2 58.80	W 104 10 50.65
	15900.00	90.30	178.50	10148.90	5886.99	-5781.82	-284.40	0.00	381727.70	547281.63	N 32 2 57.81	W 104 10 50.62
Chevron HH SO	•											
10 P3 #15H -	15932.23	90.30	178.50	10148.73	5919.18	-5814.05	-283.56	0.00	381695.48	547282.47	N 32 2 57.49	W 104 10 50.61
Mid Point												
Hold to TD	15994.98	90.30	179.76	10148.40	5981.87	-5876.78	-282.60	2.00	381632.75	547283 43	N 32 2 56.87	W 104 10 50 60
	16000.00	90.30	179.76	10148.38	5986.90	-5881.80	-282.58	0.00	381627.73		N 32 2 56.82	
	16100.00	90.30	179.76	10147.85	6086.86	-5981.80	-282.15	0.00	381527.74		N 32 2 55.83	
	10100.00	50.50	175.70	10147.03	0000.00	-3301.00	-202.13	0.00	301327.74	347203.07	14 32 2 33.03	** 104 10 30.00
	40000 00	00.00	4=0.70	101/2 00	0400 01	0001.00	204 30		204407.75	F47004 0-	N 00 0715:	181 404 40 50
	16200.00	90.30	179.76	10147.33	6186.81	-6081.80	-281.72	0.00	381427.75		N 32 2 54.84	
	16300.00	90.30	179.76	10146.81	6286.77	-6181.79	-281.30	0.00	381327.76			W 104 10 50.59
	16400.00	90.30	179.76	10146.28	6386.73	-6281.79	-280.87	0.00	381227.78			W 104 10 50.59
	16500.00	90.30	179.76	10145.76	6486.69	-6381.79	-280.44	0.00	381127.79			W 104 10 50.58
	16600.00	90.30	179.76	10145.24	6586.65	-6481.79	-280.01	0.00	381027.80		N 32 2 50.89	
	16700.00	90.30	179.76	10144.71	6686.61	-6581.79	-279.59	0.00	380927.81	547286.44	N 32 249.90	W 104 10 50 58
	16800.00	90.30	179.76	10144.19	6786.57	-6681.78	-279.16	0.00	380827.82			W 104 10 50.57
	16900.00						-278.73	0.00	380727.83			
		90.30	179.76	10143.67	6886.53	-6781.78						W 104 10 50.57
	17000.00	90.30	179.76	10143.15	6986.49	-6881.78	-278.30	0.00	380627.84			W 104 10 50.57
	17100.00	90.30	179.76	10142.62	7086.45	-6981.78	-277.88	0.00	380527.85	547288.15	N 32 245.94	W 104 10 50.56
	17200.00	90.30	179.76	10142.10	7186.40	-7081.77	-277.45	0.00	380427.87		N 32 244.95	
	17300.00	90.30	179.76	10141.58	7286.36	-7181.77	-277.02	0.00	380327.88	547289.00	N 32 243.96	W 104 10 50.56
	17400.00	90.30	179.76	10141.05	7386.32	-7281.77	-276.60	0.00	380227.89	547289.43	N 32 242.97	W 104 10 50.55
	17500.00	90.30	179.76	10140.53	7486.28	-7381.77	-276.17	0.00	380127.90	547289.86	N 32 241.98	W 104 10 50.55
	17600.00	90.30	179.76	10140.01	7586.24	-7481.76	-275.74	0.00	380027.91	547290.28	N 32 240.99	W 104 10 50 55
	17700.00	90.30	179.76	10139.48	7686.20	-7581.76	-275.31	0.00	379927.92	547290 71	N 32 240.00	W 104 10 50 54
	17800.00	90.30	179.76	10138.96	7786.16	-7681.76	-274.89	0.00	379827.93		N 32 2 39.01	
	17900.00	90.30				-7781.76	-274.46	0.00	379727.94		N 32 2 38.02	
			179.76	10138.44	7886.12							
	18000.00	90.30	179.76	10137.92	7986.08	-7881.76	-274.03	0.00	379627.96		N 32 2 37.03	
	18100.00	90.30	179.76	10137.39	8086.04	-7981.75	-273.60	0.00	379527.97	54/292.42	N 32 2 36.04	W 104 10 50.53
	18200.00	90.30	179.76	10136.87	8186.00	-8081.75	-273.18	0.00	379427.98		N 32 2 35.05	
	18300.00	90.30	179.76	10136.35	8285.95	-8181.75	-272.75	0.00	379327.99		N 32 2 34.06	W 104 10 50.52
	18400.00	90.30	179.76	10135.82	8385.91	-8281.75	-272.32	0.00	379228.00	547293.70	N 32 2 33.07	W 104 10 50.52
	18500.00	90.30	179.76	10135.30	8485.87	-8381.74	-271.89	0.00	379128.01	547294.13	N 32 2 32.08	W 104 10 50.52
	18600.00	90.30	179.76	10134.78	8585.83	-8481.74	-271.47	0.00	379028.02	547294.56	N 32 231.10	W 104 10 50.51
	18700.00	90.30	179.76	10134,26	8685.79	-8581.74	-271.04	0.00	378928.04	547294.99	N 32 2 30.11	W 104 10 50.51
	18800.00	90.30	179.76	10133.73	8785.75	-8681.74	-270.61	0.00	378828.05		N 32 2 29.12	
	18900.00	90.30	179.76	10133.21	8885.71	-8781.74	-270.18	0.00	378728.06		N 32 2 28.13	
	19000.00	90.30	179.76	10132.69	8985.67	-8881.73	-269.76	0.00	378628.07		N 32 2 27.14	
	19100.00	90.30	179.76	10132.16	9085.63	-8981.73	-269.33	0.00	378528.08		N 32 2 26.15	
		50.50	.73.10	10102.10	000,00	VVV1.1V		3.00	4, 4540.00	0 , , 200.03	02 220.10	
	19200.00	90.30	179.76	10131.64	9185.59	-9081.73	-268.90	0.00	378428.09	547207 12	N 32 22616	W 104 10 50 40
						-9081.73 -9181.73	-268.90 -268.47	0.00			N 32 2 25.16	
	19300.00	90.30	179.76	10131.12	9285.55	-9181.73 -9281.72	-268.47 -268.05	0.00	378328.10		N 32 2 24.17 N 32 2 23.18	
	19400.00	90.30	179.76	10130.59	9385.50				378228.11			
	19500.00	90.30	179.76	10130.07	9485.46	-9381.72	-267.62	0.00	378128.13		N 32 2 22.19	
	19600.00	90.30	179.76	10129.55	9585.42	-9481.72	-267.19	0.00	378028.14	547298.83	N 32 221.20	W 104 10 50.48
	19700.00	90.30	179.76	10129.03	9685.38	-9581.72	-266.76	0.00	377928.15		N 32 2 20.21	
	19800.00	90.30	179.76	10128.50	9785.34	-9681.71	-266.34	0.00	377828.16	547299.69	N 32 2 19.22	W 104 10 50.47
	19900.00	90.30	179.76	10127.98	9885.30	-9781.71	-265.91	0.00	377728.17	547300.11	N 32 2 18.23	W 104 10 50.47
	20000.00	90.30	179.76	10127.46	9985.26	-9881.71	-265.48	0.00	377628.18		N 32 2 17.24	
	20100.00	90.30	179.76	10126.93	10085.22	-9981.71	-265.06	0.00	377528.19		N 32 2 16.25	
						****						
	20200.00	90.30	179.76	10126.41	10185.18	-10081.71	-264.63	0.00	377428.21	547301.40	N 32 2 15.26	W 104 10 50 46
	20300.00	90.30	179.76	10125.89	10285.14	-10181.70	-264.20	0.00	377328.22		N 32 2 14.27	
	20400.00	90.30	179.76			-10181.70	-263.77	0.00	377228.23		N 32 2 14.27	
	20500.00	90.30	179.76	10125.36 10124.84	10385.10 10485.05	-10281.70 -10381.70	-263.77 -263.35	0.00	377228.23 377128.24		N 32 213.28 N 32 212.29	
	20600.00	90.30	179.76	10124.32	10585.01	-10481.70	-262.92	0.00	377028.25	34/303.11	N 32 211.30	VV 1U4 1U 5U.45
	20722			4040	4000 :	4050: 00	200 15		D70000 00		N 00 C 12 C 1	
	20700.00	90.30	179.76	10123.80	10684.97	-10581.69	-262.49	0.00	376928.26		N 32 2 10.31	
	20800.00	90.30	179.76	10123.27	10784.93	-10681.69	-262.06	0.00	376828.27		N 32 2 9.32	
	20900.00	90.30	179.76	10122.75	10884.89	-10781.69	-261.64	0.00	376728.28		N 32 2 8.34	
	21000.00	90.30	179.76	10122.23	10984.85	-10881.69	-261.21	0.00	376628.30	547304.81	N 32 2 7.35	W 104 10 50.43
Chevron HH SO												
10 P3 #15H -	21043.30	90.30	179.76	10122.00	11028.13	-10924.99	-261.02	0.00	376585.00	547305.00	N 32 2 6.92	W 104 10 50.43
PBHL												

Non-Def Plan

Survey Error Model: Survey Program:

ISCWSA Rev 0 \*\*\* 3-D 95.000% Confidence 2.7955 sigma

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size Cas (in)	ing Diameter (in)	Survey Tool Type	Borehole / Survey
	f	0.000	33.000	1/100.000	30.000	30.000	SLB_MWD-STD-Depth Only	Original Borehole / Chevron HH SO 10 P3 #15H Rev0 CJG
	1	33.000	21043.300	1/100.000	30.000	30.000	SLB_MWD-STD	Original Borehole / Chevron HH SO 10 P3 #15H Rev0 CJG

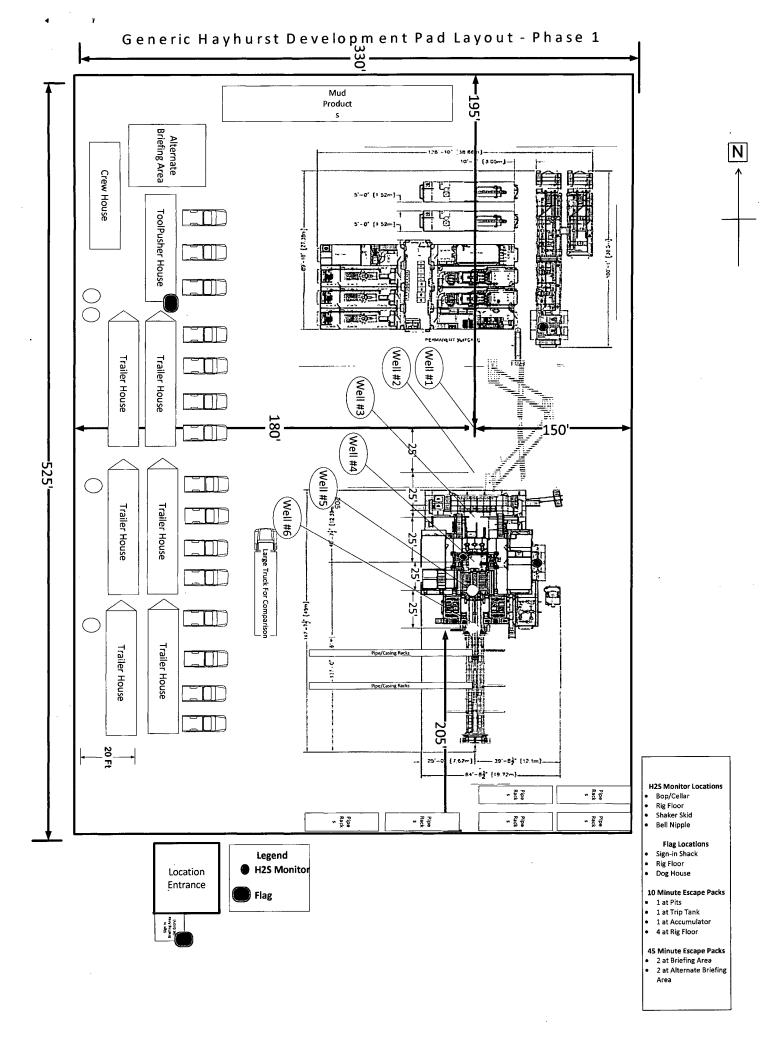
Comments	MD (ft)	inci (°)	Azim Grid	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
	14700.00	90.30	178.50	10155.18	4688.51	-4582.25	-315.81	0.00	382927.16	547250.22	N 32 3 9.68	W 104 10 50.96
	14800.00	90.30	178.50	10154.65	4788.38	-4682.21	-313.19	0.00	382827.21	547252.84	N 32 3 8.69	W 104 10 50.94
	14900.00	90.30	178.50	10154.13	4888.25	-4782.18	-310.57	0.00	382727.25		N 32 3 7.71	
	15000.00	90.30	178.50	10153.61	4988.13	-4882.14	-307.95	0.00	382627.30	547258.07		W 104 10 50.88
	15100.00	90.30	178.50	10153.09	5088.00	-4982.11	-305.34	0.00	382527.34	547260.69	N 32 3 5.73	W 104 10 50.85
	15200.00 15300.00	90.30 90.30	178.50 178.50	10152.56 10152.04	5187.87 5287.75	-5082.07 -5182.04	-302.72 -300.10	0.00 0.00	382427.39 382327.43		N 32 3 4.74 N 32 3 3.75	
	15400.00	90.30	178.50	10151.52	5387.62	-5282.00	-297.49	0.00	382227.48	547268 54	N 32 2 276	W 104 10 50.76
	15500.00	90.30	178.50	10150.99	5487.49	-5381.96	-294.87	0.00	382127.52		N 32 3 1.77	
	15600.00	90.30	178.50	10150.47	5587.37	-5481.93	-292.25	0.00	382027.57	547273.78	N 32 3 0.78	W 104 10 50.71
	15700.00	90.30	178.50	10149.95	5687.24	-5581.89	-289.63	0.00	381927.61	547276.39	N 32 2 59.79	
	15800.00	90.30	178.50	10149.42	5787.12	-5681.86	-287.02	0.00	381827.66	547279.01	N 32 258.80	W 104 10 50.65
Chevron HH SO	15900.00	90.30	178.50	10148.90	5886.99	-5781.82	-284.40	0.00	381727.70	547281.63	N 32 2 57.81	W 104 10 50.62
10 P3 #15H - Mid Point	15932.23	90.30	178.50	10148.73	5919.18	-5814.05	-283.56	0.00	381695.48	547282.47	N 32 257.49	W 104 10 50.61
Hold to TD	15994.98	90.30	179.76	10148.40	5981.87	-5876.78	-282.60	2.00	381632.75		N 32 2 56.87	
	16000.00 16100.00	90.30 90.30	179.76 179.76	10148.38 10147.85	5986.90 6086.86	-5881.80 -5981.80	-282.58 -282.15	0.00 0.00	381627.73 381527.74	547283.45 547283.87	N 32 2 56.82 N 32 2 55.83	W 104 10 50.60 W 104 10 50.60
	16200.00 16300.00	90.30 90.30	179.76 179.76	10147.33 10146.81	6186.81 6286.77	-6081.80 -6181.79	-281.72 -281.30	0.00 0.00	381427.75 381327.76	547284.30 547284.73	N 32 2 54.84 N 32 2 53.86	
	16400.00	90.30	179.76	10146.28	6386.73	-6281.79	-280.87	0.00	381227.78		N 32 2 52.87	
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	16600.00	90.30	179.76	10145.24	6586,65	-6481.79	-280.01	0.00	381027.80		N 32 2 50.89	
	16700.00	90.30	179.76	10144.71	6686.61	-6581.79	-279.59	0.00	380927.81	547286.44	N 32 249.90	W 104 10 50.58
	16800.00	90.30	179.76	10144.19	6786.57	-6681.78	-279.16	0.00	380827.82	547286.87	N 32 248.91	W 104 10 50.57
	16900.00	90.30	179.76	10143.67	6886.53	-6781.78	-278.73	0.00	380727.83		N 32 247.92	
	17000.00	90.30	179.76	10143.15	6986.49	-6881.78	-278.30	0.00	380627.84	547287.72	N 32 246.93	
	17100.00	90.30	179.76	10142.62	7086.45	-6981.78	-277.88	0.00	380527.85	54/288.15	N 32 245.94	W 104 10 50.56
	17200.00	90.30	179.76	10142.10	7186.40	-7081.77	-277.45	0.00	380427.87		N 32 244.95	
	17300.00	90.30	179.76	10141.58	7286.36	-7181.77	-277.02	0.00	380327.88		N 32 243.96	
	17400.00 17500.00	90.30 90.30	179.76 179.76	10141.05 10140.53	7386.32 7486.28	-7281.77 -7381.77	-276.60 -276.17	0.00 0.00	380227.89 380127.90		N 32 242.97 N 32 241.98	
	17600.00	90.30	179.76	10140.01	7586.24	-7481.76	-275.74	0.00	380027.91		N 32 240.99	
									379927.92			
	17700.00 17800.00	90.30 90.30	179.76 179.76	10139.48 10138.96	7686.20 7786.16	-7581.76 -7681.76	-275.31 -274.89	0.00 0.00	379827.92		N 32 2 40.00 N 32 2 39.01	
	17900.00	90.30	179.76	10138.44	7886.12	-7781.76	-274.46	0.00	379727.94		N 32 238.02	
	18000.00	90.30	179.76	10137.92	7986.08	-7881.76	-274.03	0.00	379627.96		N 32 237.03	
	18100.00	90.30	179.76	10137.39	8086.04	-7981.75	-273.60	0.00	379527.97	547292.42	N 32 236.04	W 104 10 50.53
	18200.00	90.30	179.76	10136.87	8186.00	-8081.75	-273.18	0.00	379427.98		N 32 2 35.05	
	18300.00	90.30	179.76	10136.35	8285.95	-8181.75	-272.75	0.00	379327.99		N 32 234.06	
	18400.00	90.30	179.76	10135.82	8385.91	-8281.75	-272.32	0.00	379228.00		N 32 2 33.07	
	18500.00 18600.00	90.30 90.30	179.76 179.76	10135.30 10134.78	8485.87 8585.83	-8381.74 -8481.74	-271.89 -271.47	0.00 0.00	379128.01 379028.02		N 32 2 32.08 N 32 2 31.10	
	18700.00	90.30	179.76	10134.26	8685.79	-8581.74	-271.04	0.00	378928.04	547294.99	N 32 2 30.11	W 104 10 50.51
	18800.00	. 90.30	179.76	10133.73	8785.75	-8681.74	-270.61	0.00	378828.05		N 32 229.12	
	18900.00	90.30	179.76	10133.21	8885.71	-8781.74	-270.18	0.00	378728.06		N 32 2 28.13	
	19000,00 19100.00	90.30 90.30	179.76 179.76	10132.69 10132.16	8985.67 9085.63	-8881.73 -8981.73	-269.76 -269.33	0.00 0.00	378628.07 378528.08		N 32 2 27.14 N 32 2 26.15	
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	19500.00 19600.00	90.30 90.30	179.76 179.76	10130.07 10129.55	9485.46 9585.42	-9381.72 -9481.72	-267.62 -267.19	0.00 0.00	378128.13 378028.14		N 32 2 22.19 N 32 2 21.20	
	19700.00	90.30	179.76	10129.03	9685.38	-9581.72	-266.76	0.00	377928.15	E47200.26	N 22 2 20 24	M 104 10 E0 49
	19800.00	90.30	179.76	10129.03	9785.34	-9581.72 -9681.71	-266.34	0.00	377828.16		N 32 2 20.21 N 32 2 19.22	
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	20300.00	90.30	179.76	10125.89	10285.14	-10181.70 -10281.70	-264.20	0.00 0.00	377328.22		N 32 214.27	
	20400.00 20500.00	90.30 90.30	179.76 179.76	10125.36 10124.84	10385.10 10485.05	-10281.70 -10381.70	-263.77 -263.35	0.00	377228.23 377128.24		N 32 2 13.28 N 32 2 12.29	
	20600.00	90.30	179.76	10124.32	10585.01	-10481.70	-262.92	0.00	377028.25		N 32 2 11.30	
	20700.00	90.30	179.76	10123.80	10684.97	-10581.69	-262.49	0.00	376928.26		N 32 2 10.31	
	20800.00	90.30	179.76	10123.27	10784.93	-10681.69	-262.06	0.00	376828.27	547303.96	N 32 2 9.32	W 104 10 50.44
	20900.00	90.30	179.76	10122.75	10884.89	-10781.69	-261.64	0.00	376728.28		N 32 2 8.34	
Chavron HH CO	21000.00	90.30	179.76	10122.23	10984.85	-10881.69	-261.21	0.00	376628.30	547304.81	N 32 2 7.35	vv 104 10 50.43
Chevron HH SO 10 P3 #15H - PBHL	21043.30	90.30	179.76	10122.00	11028.13	-10924.99	-261.02	0.00	376585.00	547305.00	N 32 2 6.92	W 104 10 50.43

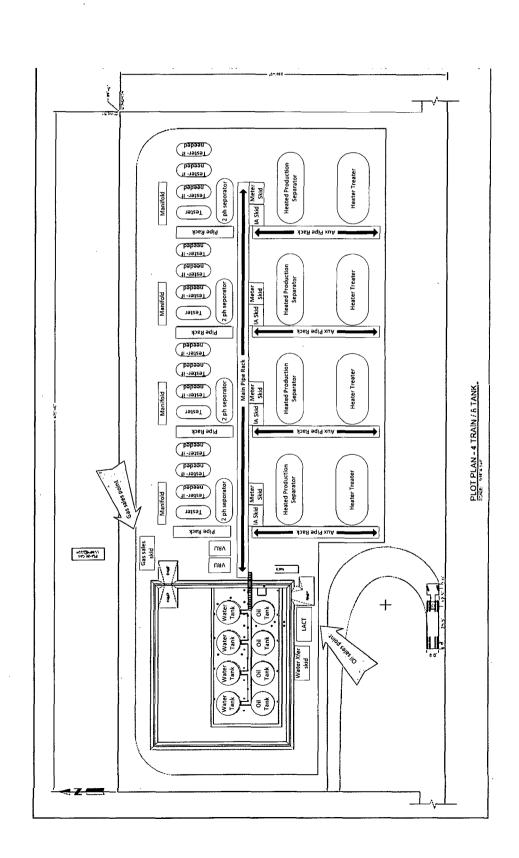
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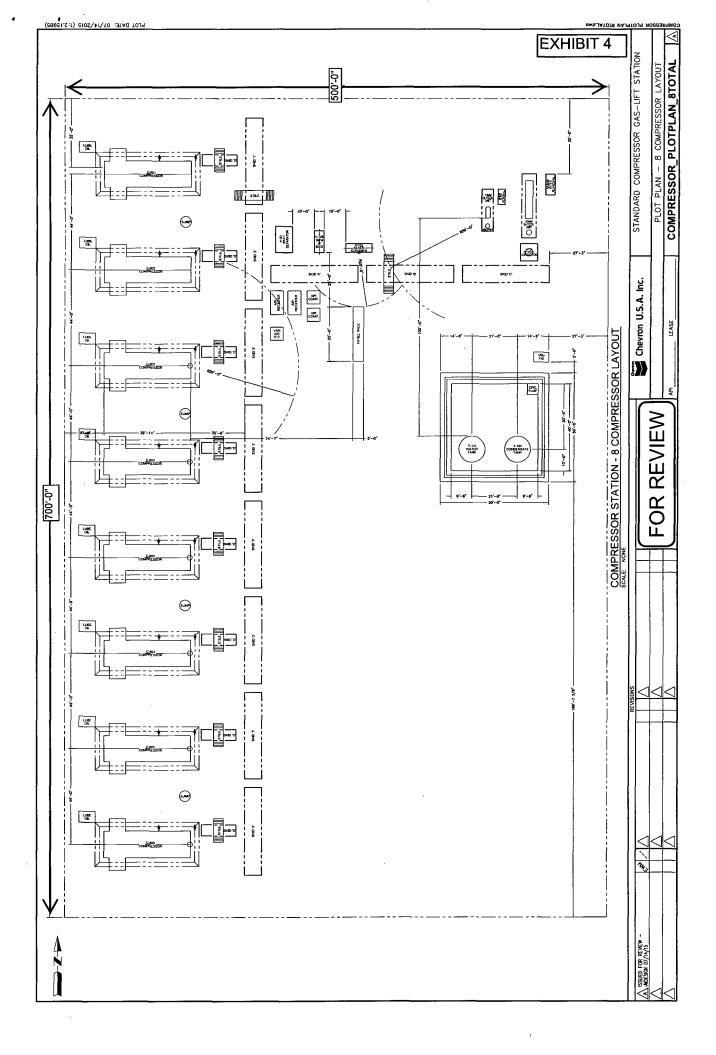
Non-Def Plan

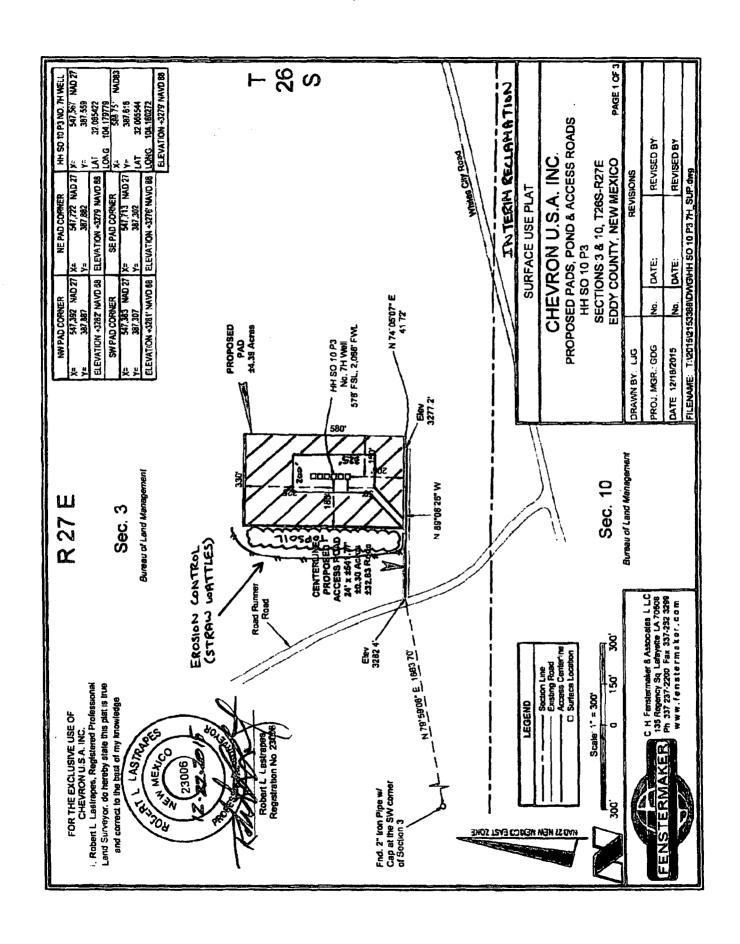
Survey Error Model: Survey Program: ISCWSA Rev 0 \*\*\* 3-D 95.000% Confidence 2.7955 sigma

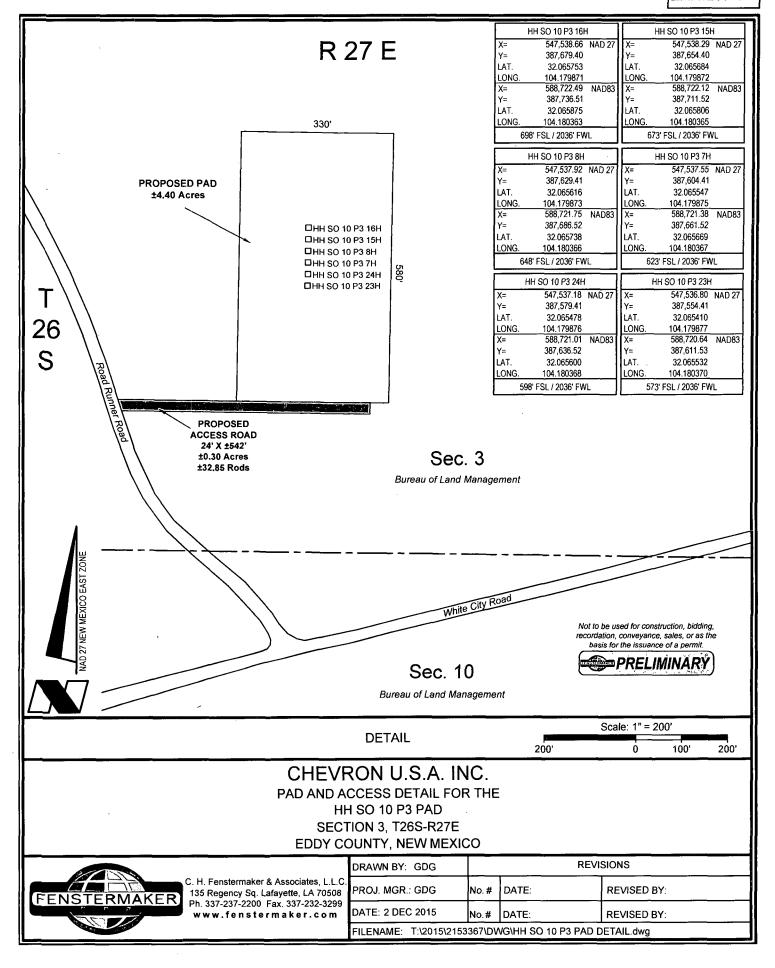
Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size Casi (in)	ing Diameter (in)	Survey Tool Type	Borehole / Survey
	1	0.000	33.000	1/100.000	30.000	30.000	SLB_MWD-STD-Depth Only	Original Borehole / Chevron HH SO 10 P3 #15H Rev0 CJG
	1	33.000	21043.300	1/100.000	30.000	30.000	SLB_MWD-STD	Original Borehole / Chevron HH SO 10 P3 #15H Rev0 CJG

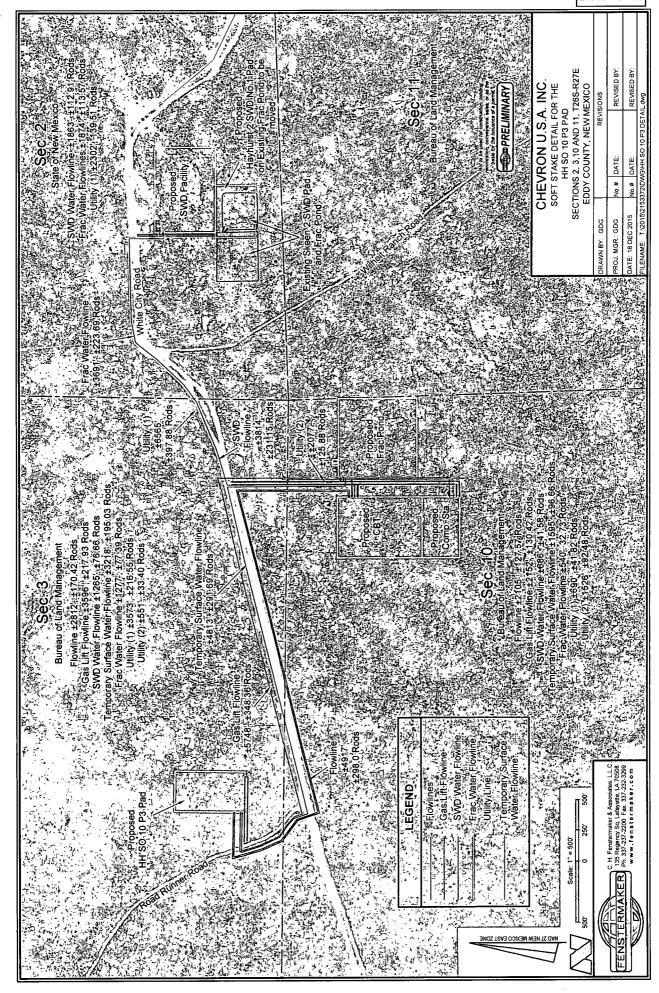












SECTION 15, T26S, R27E BHL 180' FSL & 1652' FWL

#### APD Surface Use Plan of Operations

## This Surface Use Plan of Operations has been designed to be reviewed in conjunction with Hayhurst Development Area (HDA) Master Development Plan

#### **HDA Master Development Plan Reference Table**

The contents referenced below apply to all HDA APD's

Existing Roads	Exhibit 1, MDP SUPO Page 1
Construction Materials	MDP SUPO Page 6
Methods for Handling Waste	MDP SUPO Page 6
Reclamation Objectives	MDP SUPO Page 6-8
Final Surface Reclamation	MDP SUPO Page 6-8

#### **Driving Directions**

Driving Directions – From Malaga, New Mexico. The location is approximately 11.5 miles from the nearest town, which is Malaga, New Mexico. From Malaga, proceed South on Highway 285 approximately 11.5 miles and turn right (West) onto White City Rd and go approximately 6.8 miles on White City Road until the road reaches an intersection with Roadrunner Rd. Turn right onto this and travel 100 yards, then the access road and well location is on the right.

#### New or Reconstructed Access Roads - (Exhibit 2, MDP SUPO Pg. 1)

- There will be 2.758' of new road construction for this proposal.
- Ditches: See Exhibit 2 (To be submitted at later date)
- Culverts: See Exhibit 2 (To be submitted at later date)
- Road Cuts: See Exhibit 2 (To be submitted at later date)

#### **Location of Existing Wells (Exhibit 3)**

· 1-Mile radius map is attached

SECTION 15, T26S, R27E BHL 180' FSL & 1652' FWL

#### Location of Existing and/or Proposed Production Facilities (Exhibit 4, MDP SUP Pg. 2)

- Facilities: Proposed production facilities located in the NE corner of Sec. 10, T26S-R27E where oil and gas sales will take place.
  - o The proposed facility and frac pond is in Sec. 10, T26S-R27E
  - o Gas purchaser pipeline is in place at the tank battery.
  - Open top tanks or open containments will be netted.
  - Open vent exhaust stacks will be modified to prevent birds or bats from entering, discourage perching, roosting, and nesting.
  - Facilities will have a secondary containment 1.5 times the holding capacity of largest storage tank.
  - All above ground structures will be painted non-reflective shale green for blending with surrounding environment.
  - The permanent water disposal system will be determined prior to construction of any water transfer pipeline. Until permanent water takeaway is available, produced water will be hauled off location in trucks.

#### Notification will be provided to BLM upon site selection and survey – plats (including SWD well information) will be provided.

- Pipelines: See Detail Exhibit 5
  - o Pipelines Include:
    - 4,917' of Flowlines carrying production (buried)
    - 5,748' Gas Lift Line carrying pressurized gas (buried)
    - 3,814' SWD Line carrying produced water (buried)
    - 3,691' Permanent Frac water line carrying fresh water (buried)
    - 4,813' Temporary Water line carrying fresh water (surface)
  - A ROW will be applied for through the State and BLM.
  - All construction activity will be confined to the approved ROW.
  - o Pipeline will run parallel to the road and will stay within approved ROW.
- Power lines\Utility lines: 8,642' of new power lines

#### Location and Types of Water Supply (Exhibit 5, MDP SUPO Pg. 5)

- Proposed pond in Section 10, T26S-R27E will be utilized for fresh water.
- Fresh water will be obtained from a private water source.

#### **Construction Materials (MDP SUPO Pg. 6)**

• Location-specific caliche sources will be provided in post-application supplement

SECTION 15, T26S, R27E BHL 180' FSL & 1652' FWL

#### Well Site Layout (Exhibit 6)

- Surveyor Plat (Exhibit 6a)
  - o Exterior well pad dimensions are 580' x 330'
  - o Interior well pad dimensions from point of entry (well head) of the well are N-275', S-305', E-150', W-180'. Total disturbance area needed for construction of well pad will be approximately 4.4 acres
  - o Topsoil placement is on the west where interim reclamation is planned to be completed upon completion of well and evaluation of best management practices.
  - o Cut and fill: will be minimal.
- Rig Layout (Exhibit 6b)

#### Plans for Surface Reclamation (Exhibit 6, MDP SUPA Pg. 8)

#### **Interim Reclamation Procedures**

- Reclaimed pad size: 200' x 325'
- See Exhibit for reclaimed pad layout, topsoil location & erosion control features

#### **Surface Ownership**

• BLM Surface

Surface Tenant – Phillip Stell

3-8-16

• Nearest Post Office: Malaga Post Office; 11.4 Miles north

12.8 mi

#### **Other Information**

- On-site performed by BLM NRS: Paul Murphy 11/4/2015
- Cultural report attached: **Yes** Participating Agreement attached: N/A

SECTION 15, T26S, R27E BHL 180' FSL & 1652' FWL

#### **Chevron Representatives**

Primary point of contact:
Jennifer Van Curen
Jennifer.VanCuren@arcadis-us.com
M- 432-270-8753

#### **Chevron Functional Contacts**

Project Manager	Drilling Engineer
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Phone: (432) 664-6809	Phone: (281) 413-9794

Email: Sean.Cheben@chevron.com Email: RoderickMilligan@chevron.com

#### Surface Land Representative Name: Kevin Dickerson

•

Address: 15 Smith Road Midland Texas 79705

Phone: (432) 687-7104

Email: Kevin.Dickerson@chevron.com

#### **Facility Lead**

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Phone: (281) 384-8934

Email: tyler.weaver@chevron.com

#### Geologist

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Address: 1400 Smith Street Houston, TX 77002

Phone: (713) 372-0523

Email: JeffreyFabre@chevron.com

#### **Regulatory Specialist**

Cindy Herrera-Murillo

Address: 1616 W. Bender Blvd, Hobbs, NM

88240

Office: (575) 263-0431

Email: CHerreraMurillo@chevron.com

SECTION 15, T26S, R27E BHL 180' FSL & 1652' FWL

#### **EXHIBITS:**

Exhibit 1 -- Existing Roads

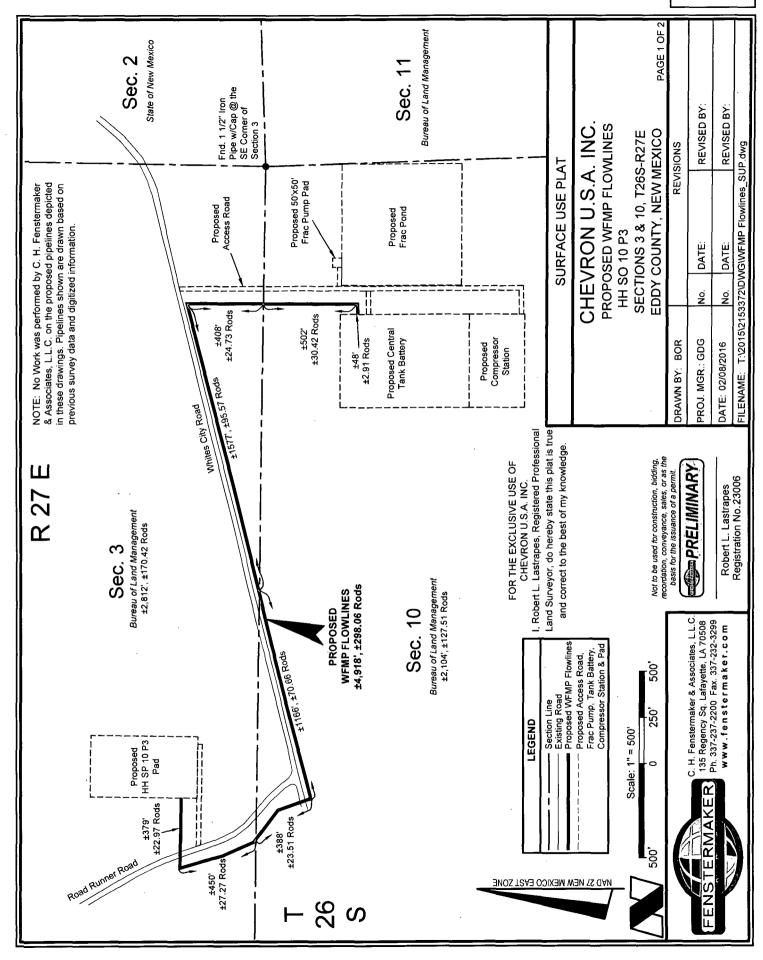
Exhibit 2 -- Survey Plat: New or Reconstructed Roads Map: if road is outside 600' x 600'.

Exhibit 3 -- 1-mile Radius Map

Exhibit 4 -- Location of Existing and/or Proposed Production Facilities (Tank Battery)

Exhibit 5 -- Survey Plat: Infrastructure: roads, pipelines, power lines, frac pond

Exhibit 6 -- Rig Layout: Well Site Layout Map / Diagram



performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no whether the project will impact flood hazards in connection with federal/FEMA, state, warranty or representation of any kind as to the foregoing issues, and persons or DISCLAIMER: At this time, C.H. Fenstermaker & Associates, L.L.C. has not entities using this information shall do so at their own risk

#### NOTE

- impossible to be 100 % effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic pipelines and anomalies using our standard pipeline locating equipment, it is Please be advised, that while reasonable efforts are made to locate and verify cables, PVC pipelines, etc. may exist undetected on site.
- assistance in locating and marking underground utilities. For guidance, New Mexico Many states maintain information centers that establish links between those who dig (excavators) and those who own and operate underground facilities (operators). It is advisable and in most states, law, for the contractor to contact the center for One Call. www.nmonecall.org d
- proposed pipelines depicted in these drawings. Pipelines shown are drawn based No Work was performed by C. H. Fenstermaker & Associates, L.L.C. on the on previous survey data and digitized information. က်

FOR THE EXCLUSIVE USE OF CHEVRON U.S.A. INC.

I, Robert L. Lastrapes, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.

recordation, conveyance, sales, or as the Not to be used for construction, bidding, PRELIMINARY basis for the issuance of a permi C. H. Fenstermaker & Associates, L.L.C. 135 Regency Sq. Lafayette, LA 70508 Ph. 337-237-2200 Fax. 337-232-3299

Registration No. 23006 Robert L. Lastrapes

www.fenstermaker.com

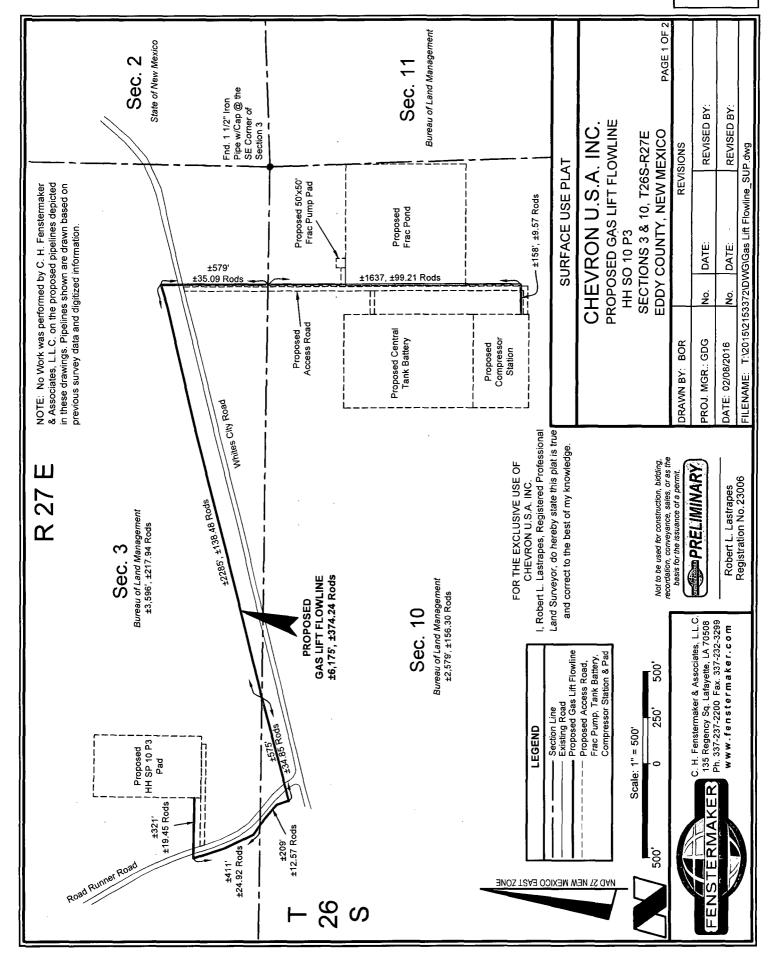
AKER

FILENAME: T:\2015\2153372\DWG\Gas Lift Flowline\_SUP.dwg

SURFACE USE PLAT

PROPOSED WFMP FLOWLINES CHEVRON U.S.A. INC SECTIONS 3 & 10, T26S-R27E HH SO 10 P3

PAGE 2 OF 3 REVISED BY: REVISED BY: EDDY COUNTY, NEW MEXICO REVISIONS DATE DATE Š ġ PROJ. MGR.: GDG DATE: 02/08/2016 DRAWN BY: BOR



DISCLAIMER: At this time, C.H. Fenstermaker & Associates, L.L.C. has not berformed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

#### NOTE

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# FOR THE EXCLUSIVE USE OF CHEVRON U.S.A. INC.

I, Robert L. Lastrapes, Registered Professional Land Surveyor, do hereby state this plat is true

and correct to the best of my knowledge.

Not to be used for construction, bidding, recordation, conveyance, sales, or as the basis for the issuance of a permit.

C. H. Fenstermaker & Associates, L.L.C. 135 Regency Sq. Lafayette, LA 70508 Ph. 337-227-2200 Fax. 337-232-3299 www.fenstermaker.com

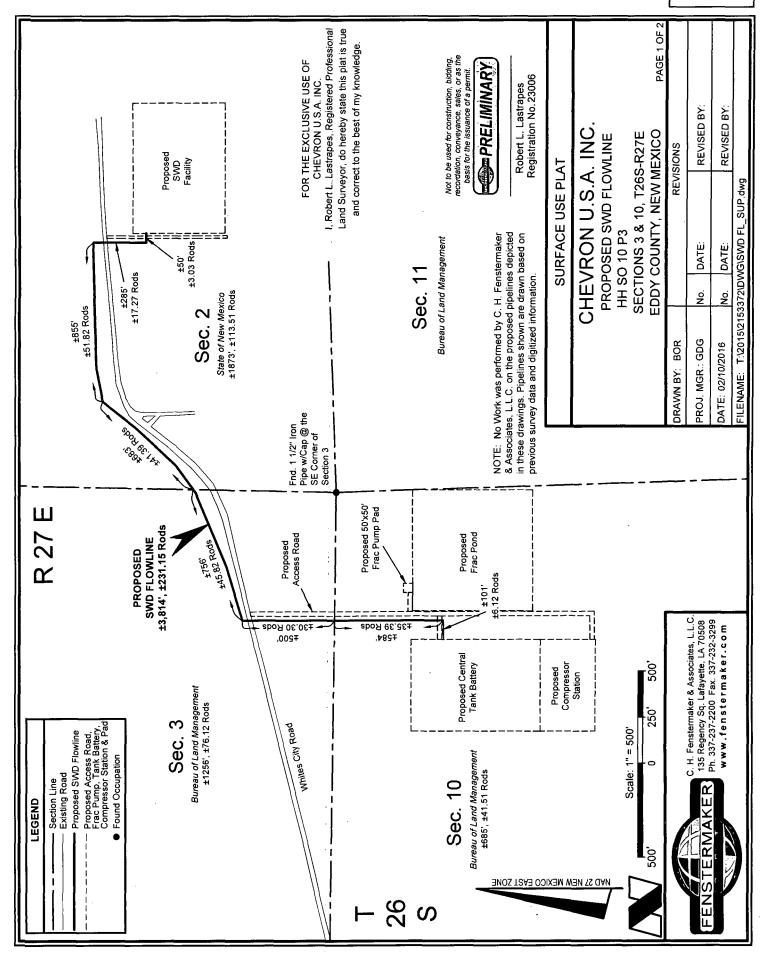
Robert L. Lastrapes Registration No. 23006

# SURFACE USE PLAT

# CHEVRON U.S.A. INC.

PROPOSED GAS LIFT FLOWLINE HH SO 10 P3 SECTIONS 3 & 10, T26S-R27E EDDY COUNTY, NEW MEXICO

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DISCLAIMER: At this time, C.H. Fenstermaker & Associates, L.L.C. has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

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Ph. 337-227-2200 Fax, 337-232-3299

Robert L. Lastrapes Registration No.23006

www.fenstermaker.com

SURFACE USE PLAT

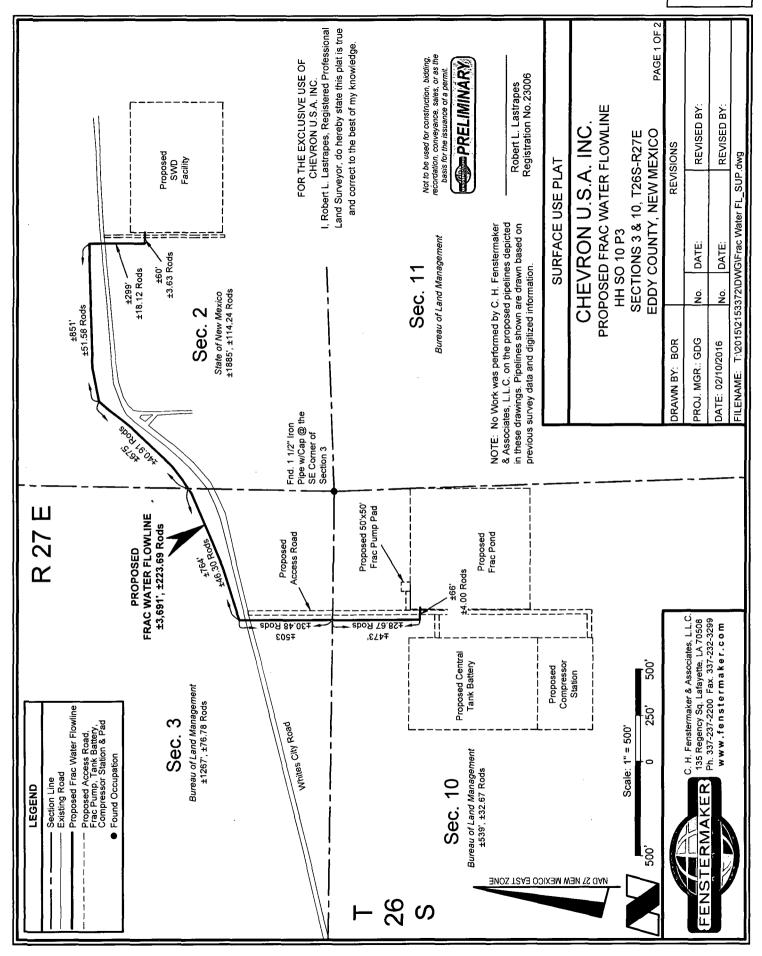
# CHEVRON U.S.A. INC.

PROPOSED SWD FLOWLINE HH SO 10 P3 SECTIONS 3 & 10, T26S-R27E

EDDY COUNTY, NEW MEXICO

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Robert L. Lastrapes Registration No. 23006

## SURFACE USE PLAT

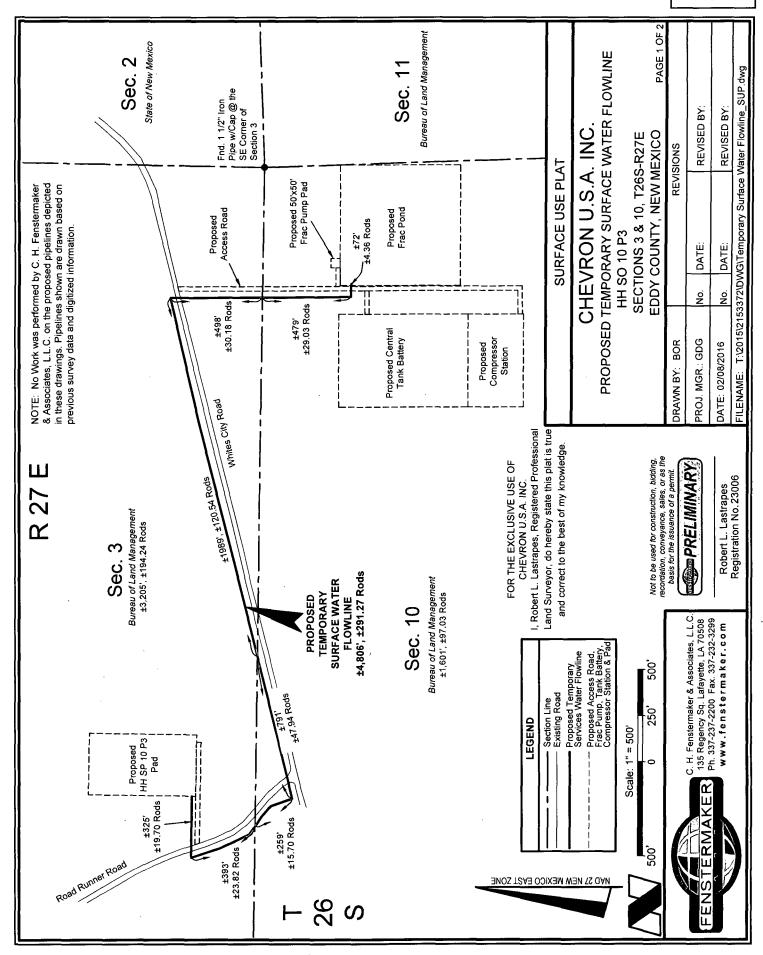
# CHEVRON U.S.A. INC. PROPOSED FRAC WATER FLOWLINE

HH SO 10 P3 SECTIONS 3 & 10, T26S-R27E EDDY COUNTY, NEW MEXICO

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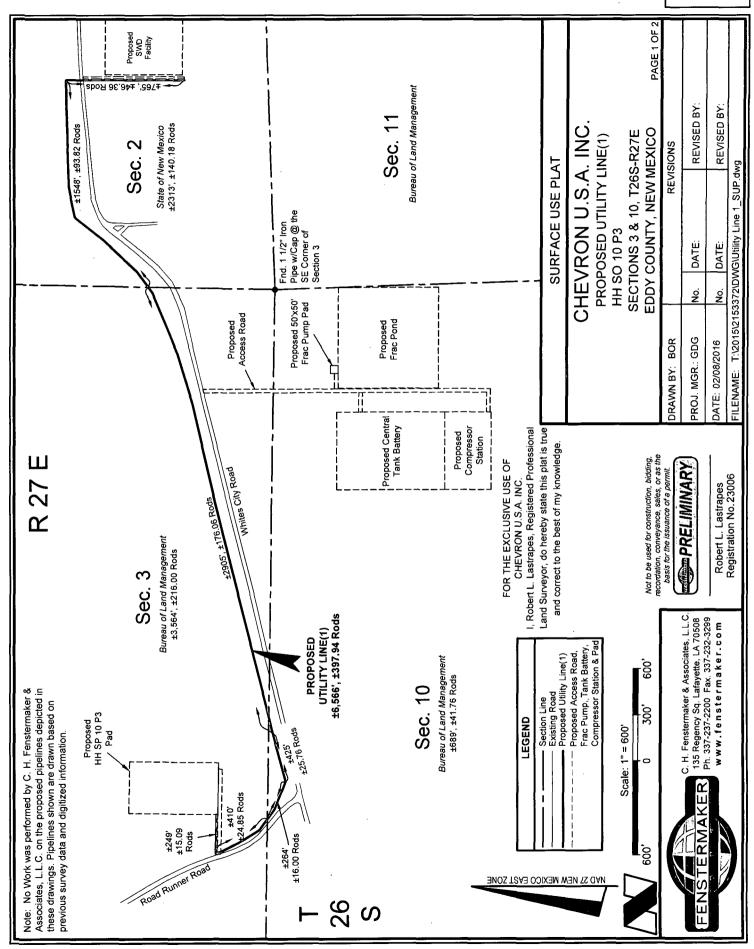
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Robert L. Lastrapes Registration No. 23006

### SURFACE USE PLAT

### PROPOSED TEMPORARY SURFACE WATER FLOWLINE CHEVRON U.S.A. INC EDDY COUNTY, NEW MEXICO SECTIONS 3 & 10, T26S-R27E HH SO 10 P3

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SURFACE USE PLAT

PROPOSED UTILITY LINE(1)

HH SO 10 P3

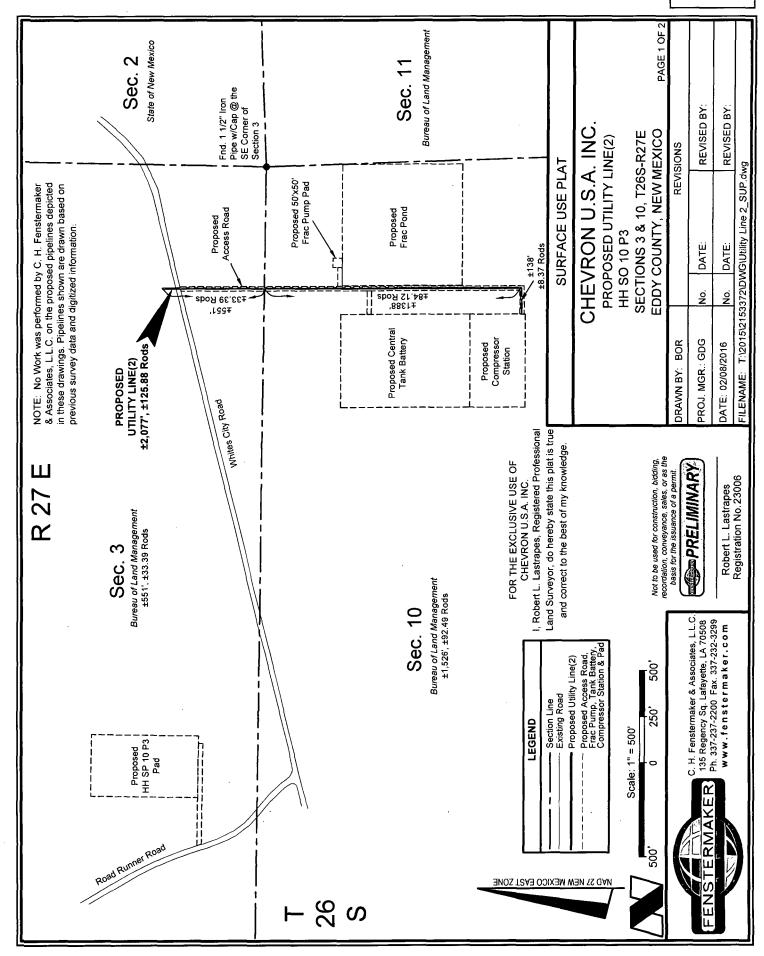
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Registration No. 23006 Robert L. Lastrapes

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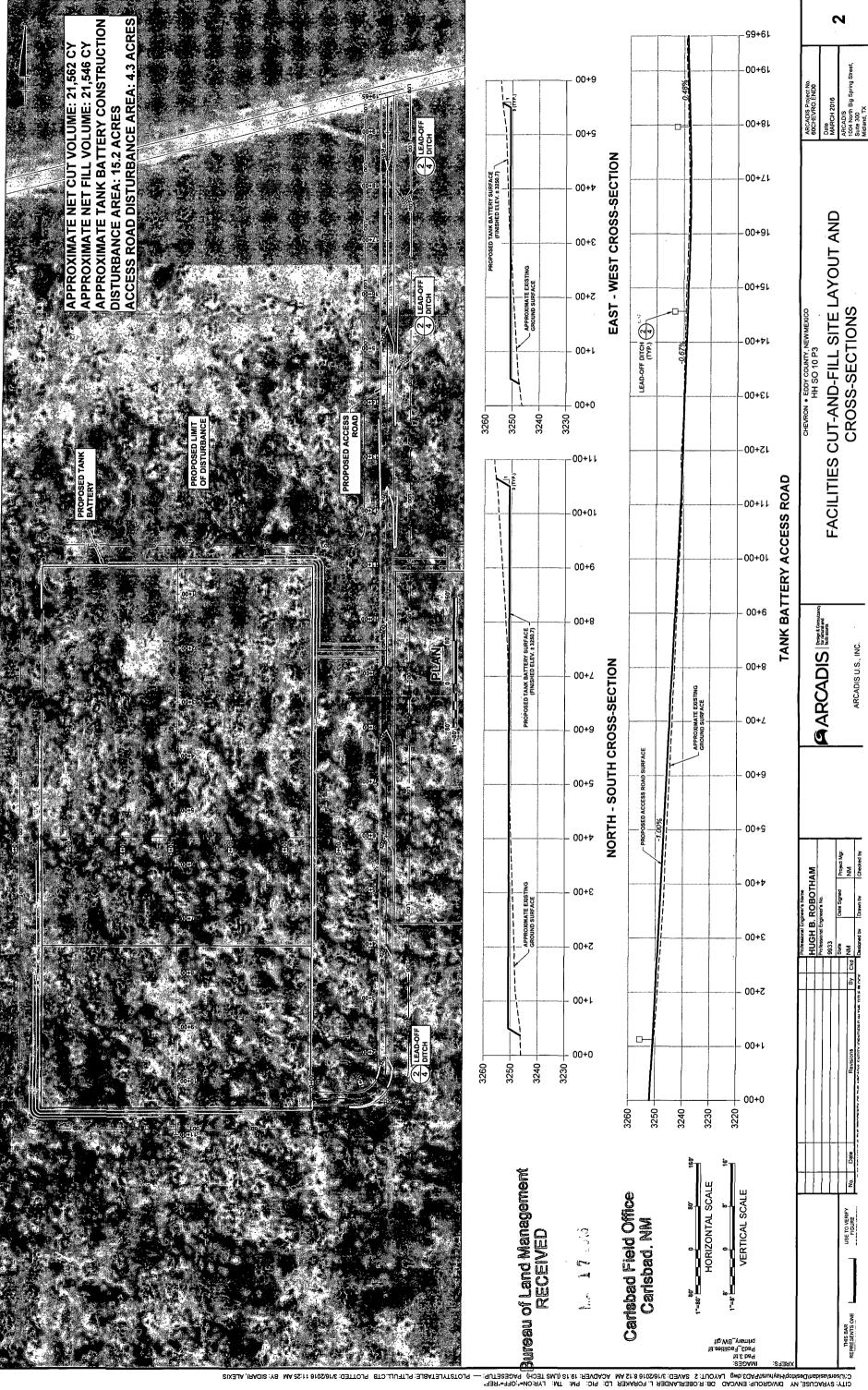
### CHEVRON U.S.A. INC PROPOSED UTILITY LINE(2)

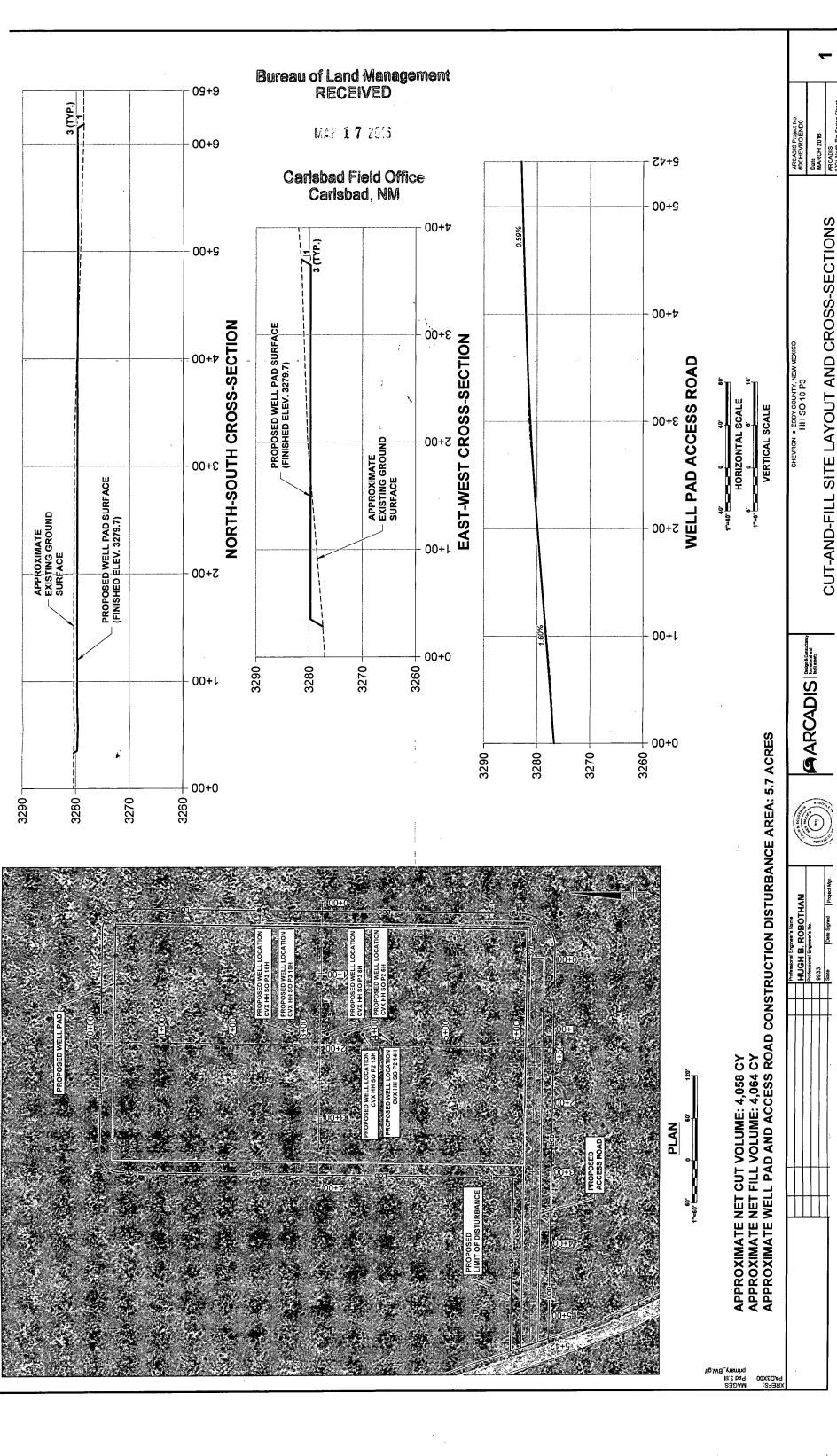
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EDDY COUNTY, NEW MEXICO

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### PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: Chevron USA Inc.

LEASE NO.: NMNM-121473

WELL NAME & NO.: HH SO 10 P3 15H

SURFACE HOLE FOOTAGE: 0628' FSL & 2066' FWL

BOTTOM HOLE FOOTAGE 0180' FSL & 1652' FWL Sec. 15, T. 26 S., R 27 E.

LOCATION: Section 03, T. 26 S., R 27 E., NMPM

COUNTY: Eddy County, New Mexico

### **TABLE OF CONTENTS**

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

·
General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
Special Requirements
Cave/Karst
VRM
Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
Road Section Diagram
<b>☑</b> Drilling
Cement Requirements
Medium Cave/Karst
Logging Requirements
Waste Material and Fluids
Production (Post Drilling)
Well Structures & Facilities
☐ Interim Reclamation
Final Ahandanment & Reclamation

### I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

### II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

### III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

### IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

### V. SPECIAL REQUIREMENT(S)

### Visual Resource Management (VRM)

- Above-ground structures including meter housing that are not subject to safety requirements are painted a flat non-reflective paint color, Shale Green from the BLM Standard Environmental Color Chart (CC-001: June 2008)
- Chevron would use minimal light necessary for site safety, security, and operations.
- Light should be directed downward or only where needed.
- Low-pressure sodium lamps, such as yellow LED lighting (3,000 Kelvin or less) or equivalent, would be used to reduce sky glow and wildlife impacts.
- Properly shielded and mounted light fixtures would be used to reduce sky glow from upward pointing light, as well as trespass from light falling outside of desired area of illumination. Full cutoff shielding would be used during production.

### **Cave and Karst**

\*\* Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

### Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

### **Construction:**

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

### No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

### Pad Berming:

The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

### **Tank Battery Liners and Berms:**

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

### **Leak Detection System:**

A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

### **Automatic Shut-off Systems:**

Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

### **Cave/Karst Subsurface Mitigation**

The following stipulations will be applied to protect cave/karst and ground water concerns:

### **Rotary Drilling with Fresh Water:**

Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

### **Directional Drilling:**

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

### **Lost Circulation:**

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cavebearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

### **Abandonment Cementing:**

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

### **Pressure Testing:**

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

### VI. CONSTRUCTION

### A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

### B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

### C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

### D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

### E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

### F. EXCLOSURE FENCING (CELLARS & PITS)

### **Exclosure Fencing**

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

### G. ON LEASE ACCESS ROADS

### Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

### Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

### Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

### Ditching

Ditching shall be required on both sides of the road.

### **Turnouts**

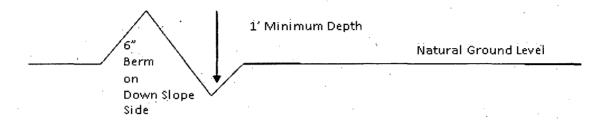
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

### **Drainage**

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

### Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

### Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: 
$$\frac{400!}{4\%}$$
 + 100' = 200' lead-off ditch interval

### Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

### Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

### **Public Access**

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

### **Construction Steps**

- 1. Salvage topsoil
- 2. Construct road
- 3. Redistribute topsoil4. Revegetate slopes

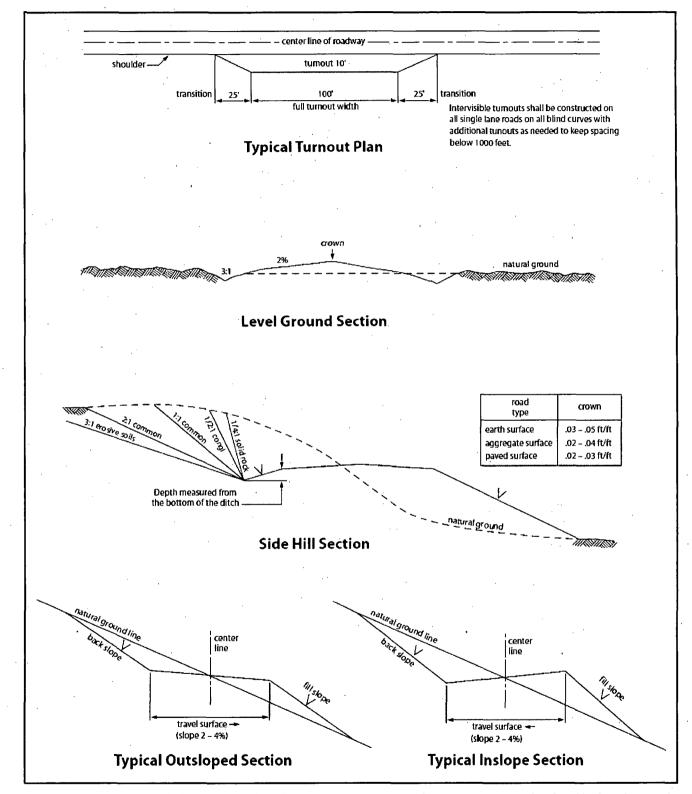


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

### VII. DRILLING

### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
  - Eddy County
    Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
- 1. Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. The operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other wells.
- 4. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 5. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

### B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the

approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

### Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

### Medium Cave/Karst

Possibility of water flows in the Castillo and Salado.

Possibility of lost circulation in the Delaware.

Abnormal Pressures may be encountered when penetrating the 3<sup>rd</sup> Bone Spring Sandstone and all subsequent formations.

- 1. The 13-3/8 inch surface casing shall be set at approximately 450 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Operator has proposed DV tool at depth of 2100', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- a. First stage to DV tool:
- Ement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
- b. Second stage above DV tool:
- □ Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst. Excess calculates to 22% Additional cement may be required.

If cement does not circulate to surface on the intermediate casing, the cement on the roduction casing must come to surface.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

  Cement as proposed by operator. Operator shall provide method of verification.
- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

### C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 10,000 (10M) psi. 10M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure. BOP/BOPE shall be tested after nipple up according to Onshore Order #2.
- 3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
  - b. The tests shall be done by an independent service company utilizing a test plug **not** a **cup** or **J-packer**.
  - c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
  - d. The results of the test shall be reported to the appropriate BLM office.
  - e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
  - g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

### D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

### E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

### F. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

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### VIII. PRODUCTION (POST DRILLING)

### A. WELL STRUCTURES & FACILITIES

### **Placement of Production Facilities**

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

### **Exclosure Netting (Open-top Tanks)**

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

### Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will

dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

### **Open-Vent Exhaust Stack Exclosures**

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

### **Containment Structures**

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

### **Painting Requirement**

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

### IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

### X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).