

Form 3160-3
(June 2015)FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		5. Lease Serial No. NMNM100549 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. HH SO 17 20 FED 003 302H
2. Name of Operator CHEVRON USA INCORPORATED		9. API Well No. 30 015 48785
3a. Address ' '	3b. Phone No. (include area code)	10. Field and Pool, or Exploratory 64010 WELCH;BONE SPRING
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW / 169 FSL / 2283 FWL / LAT 32.050229 / LONG -104.213534 At proposed prod. zone SESW / 25 FSL / 1980 FWL / LAT 32.020538 / LONG -104.214241		11. Sec., T. R. M. or Blk. and Survey or Area SEC 8/T26S/R27E/NMP
14. Distance in miles and direction from nearest town or post office* 11.5 miles		12. County or Parish EDDY
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 169 feet		16. No of acres in lease 17. Spacing Unit dedicated to this well 640.0
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 415 feet		19. Proposed Depth 8741 feet / 19570 feet
20. BLM/BIA Bond No. in file FED:		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3253 feet
22. Approximate date work will start* 12/01/2020		23. Estimated duration 147 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM. |
|---|---|

25. Signature (Electronic Submission)	Name (Printed/Typed) LAURA BECERRA / Ph: (432) 687-7866	Date 12/30/2019
Title Permitting Specialist		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 05/04/2021
Title Assistant Field Manager Lands & Minerals		
Office Carlsbad Field Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos 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

¹ API Number	² Pool Code	³ Pool Name
	64010	WELCH;BONE SPRING
⁴ Property Code	⁵ Property Name	⁶ Well Number
	HH SO 17 20 FED 003	302H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
4323	CHEVRON U.S.A. INC.	3253'

¹⁰ Surface Location

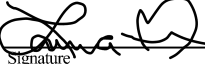
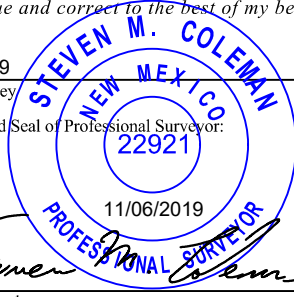
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	26 SOUTH	27 EAST, N.M.P.M.		169'	SOUTH	2283'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	20	26 SOUTH	27 EAST, N.M.P.M.		25'	SOUTH	1980'	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
640			

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.

<p>FIRST TAKE POINT</p> <p>X= 536,970' Y= 381,707' LAT. 32.049370° N LONG. 104.214009° W</p> <p>X= 578,154' Y= 381,763' LAT. 32.049492° N LONG. 104.214503° W</p> <p>MID POINT</p> <p>X= 537,046' Y= 376,478' LAT. 32.034997° N LONG. 104.213782° W</p> <p>X= 578,230' Y= 376,535' LAT. 32.035119° N LONG. 104.214276° W</p> <p>LAST TAKE POINT</p> <p>X= 537,062' Y= 371,249' LAT. 32.020622° N LONG. 104.213749° W</p> <p>X= 578,246' Y= 371,306' LAT. 32.020744° N LONG. 104.214242° W</p>	<p>HH SO 17 20 FED 003 NO. 302H WELL</p> <p>X= 537,270' Y= 381,975' LAT. 32.050107° N LONG. 104.213041° W</p> <p>X= 578,453' Y= 382,032' LAT. 32.050229° N LONG. 104.213534° W</p> <p>ELEVATION +3253' NAVD 88</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=387143.09, X=534935.36 B - Y=381810.94, X=534988.20 C - Y=381799.23, X=540303.95 D - Y=376480.27, X=535066.16 E - Y=376474.90, X=540354.10 F - Y=371149.70, X=535082.62 G - Y=371148.59, X=540391.30</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 537,063' Y= 371,174' LAT. 32.020416° N LONG. 104.213748° W</p> <p>X= 578,246' Y= 371,231' LAT. 32.020538° N LONG. 104.214241° W</p>	<p>Sec. 8</p> <p>2283'</p> <p>169'</p> <p>Proposed First Take Point 100' FNL, 1980' FWL</p> <p>S 48°09'27" W 402.55'</p> <p>Sec. 17</p> <p>Mid Point</p> <p>S 00°50'07" E 5,228.88'</p> <p>Sec. 20</p> <p>Proposed Last Take Point 100' FSL, 1980' FWL</p> <p>25'</p> <p>1980'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 12/16/2019 Signature Date</p> <p>Laura Becerra Printed Name</p> <p>LBecerra@Chevron.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>09/19/2019 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>11/06/2019 Certificate Number</p>
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State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: Chevron USA **OGRID:** 4323 **Date:** 7 / 8 / 21

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
HH SO 17 20 FED 003 301H	<i>Pending</i>	UL:N, Sec 8, T26S-R27E	244' FSL, 2284' FWL	1217BBL/D	2779 MCF/D	4270BBL/D
HH SO 17 20 FED 003 302H	<i>Pending</i>	UL:N, Sec 8, T26S-R27E	169' FSL, 2283' FWL	1217BBL/D	2779 MCF/D	4270BBL/D

IV. Central Delivery Point Name: HHNM CTB 9 [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
HH SO 17 20 FED 003 301H	<i>Pending</i>	5/1/2022	7/12/2022	12/06/2022	1/12/2023	1/21/2023
HH SO 17 20 FED 003 302H	<i>Pending</i>	5/3/2022	7/15/2022	12/08/2022	1/16/2023	1/24/2023

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan **EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☐ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	<i>Kayla McConnell</i>
Printed Name:	KAYLA MCCONNELL
Title:	REGULATORY AFFAIRS COORDINATOR
E-mail Address:	GNCV@CHEVRON.COM
Date:	7/26/2021
Phone:	432-687-7375

OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)

Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. Separation Equipment:

Separation equipment installed at each Chevron facility is designed for maximum anticipated throughput and pressure to minimize waste. Separation equipment is designed and built according to ASME Sec VIII Div I to ensure gas is separated from liquid streams according to projected production.

VII./VIII. Operational & Best Management Practices:**1. General Requirements for Venting and Flaring of Natural Gas:**

- In all circumstances, Chevron will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- Chevron installs and operates vapor recovery units (VRUs) in new facilities to minimize venting and flaring. If a VRU experiences operating issues, it is quickly assessed so that action can be taken to return the VRU to operation or, if necessary, facilities are shut-in to reduce the venting or flaring of natural gas.

2. During Drilling Operations:

- Flare stacks will be located a minimum of 110 feet from the nearest surface hole location.
- If an emergency or malfunction occurs, gas will be flared or vented to avoid a risk of an immediate and substantial adverse impact on public health, safety or the environment and be properly reported to the NMOCD pursuant to 19.15.27.8.G.
- Natural gas is captured or combusted if technically feasible using best industry practices and control technologies, such as the use of separators (e.g., Sand Commanders) during normal drilling and completions operations.

3. During Completions:

- Chevron typically does not complete traditional flowback, instead Chevron will flow produced oil, water, and gas to a centralized tank battery and continuously recover salable quality gas. If Chevron completes traditional flowback, Chevron conducts reduced emission completions as required by 40 CFR 60.5375a by routing gas to a gas flow line as soon as practicable once there is enough gas to operate a separator. Venting does not occur once there is enough gas to operate a separator.
- Normally, during completions a flare is not on-site. A Snubbing Unit will have a flare on-site, and the flare volume will be estimated.
- If natural gas does not meet pipeline quality specification, the gas is sampled twice per week until the gas meets the specifications.

4. During Production:

- An audio, visual and olfactory (AVO) inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.
- Monitor manual liquid unloading for wells on-site, takes all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time and takes reasonable actions to minimize venting to the maximum extent practicable.
- In all circumstances, Chevron will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- Chevron's design for new facilities utilizes air-activated pneumatic controllers and pumps.
- If natural gas does not meet pipeline quality specification, the gas is sampled twice per week until the gas meets the specifications.
- Chevron does not produce oil or gas until all flowlines, tank batteries, and oil/gas takeaway are installed, tested, and determined operational.

5. Performance Standards

- Equipment installed at each facility is designed for maximum anticipated throughput and pressure to minimize waste. Tank pressure relief systems utilize a soft seated or metal seated PSVs, as appropriate, which are both designed to not leak.
- Flare stack has been designed for proper size and combustion efficiency. New flares will have a continuous pilot and will be located at least 100 feet from the well and storage tanks and will be securely anchored.
- New tanks will be equipped with an automatic gauging system.
- An audio, visual and olfactory (AVO) inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.

6. Measurement or Estimation of Vented and Flared Natural Gas

- Chevron estimates or measures the volume of natural gas that is vented, flared, or beneficially used during drilling operations, regardless of the reason or authorization for such venting or flaring.
- Where technically practicable, Chevron will install meters on flares installed after May 25, 2021. Meters will conform to industry standards. Bypassing the meter will only occur for inspecting and servicing of the meter.

ONSHORE ORDER NO. 1
Chevron USA
HH SO 17 20 FED 003 302H
Eddy County, NM

Pad Summary: Package 15

The table below lists all the wells for the given pad and their respective name and TVD's (ft) for their production target intervals:

Well Name(s)	Target TVD	Formation Desc.
HH SO 17 20 FED 003 401H	9,083	WCA_TGT2
HH SO 17 20 FED 003 301H	8,713	TBS_TGT1
HH SO 17 20 FED 003 402H	8,957	WCA_TGT4
HH SO 17 20 FED 003 403H	9,118	WCA_TGT2
HH SO 17 20 FED 003 302H	8,741	TBS_TGT1
HH SO 17 20 FED 003 404H	8,975	WCA_TGT4

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Elevation: 3253 ft

FORMATION	SUB-SEA TVD	TVD	MD	LITHOLOGIES	MIN. RESOURCES	PROD. FORMATION
Salado (SLDO) / Castile (CSTL)	2630	649	649	ANHY	N/A	
Lamar Lime (LMAR)	1177	2,102	2,102	SS	N/A	
Bell Canyon (BLCN)	1148	2,131	2,131	SS	N/A	
Cherry Canyon (CRCN)	325	2,954	2,954	SS	N/A	
Brushy Canyon (BRSC)	-757	4,036	4,036	SS	N/A	
Bone Spring (BSGL)	-2392	5,671	5,671	LS	N/A	
Avalon (AVLN)	-2519	5,798	5,798	SH	Oil	
1st Bone Spring (FBSG)	-3322	6,601	6,601	SH	Oil	
2nd Bone Spring (SBSG)	-3818	7,097	7,097	SH	Oil	
3rd BS Carb	-4957	8,236	8,264	LS	Oil	
3rd Bone Spring (TBSG)	-5186	8,465	8,500	LS	Oil	
TBS_TGT1	-5467	8,746	9,033	SH	Oil	yes
TD		8,741	19,570	SH	Oil	

WELLBORE LOCATIONS	SUB-SEA TVD	RKB TVD	MD
SHL	3279	-	
KOP	-4999	8,278	8,307
FTP	-5462	8,741	9,033
LTP	-5462	8,741	19,495

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		300
Water	Salado (SLDO) / Castile (CSTL)	649
Oil/Gas	Avalon (AVLN)	5,798
Oil/Gas	TBS_TGT1	8,465

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

3. BOP EQUIPMENT

Chevron will have a minimum of a 5,000 psi rig stack (see proposed schematic) for drill out below surface casing. The stack will be tested as specified in the attached testing requirements. Batch drilling of the surface, intermediate, and production will take place. A full BOP test will be performed per hole section, unless approval from BLM is received otherwise. Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test will be conducted by a third party.

Chevron requests a variance to use a FMC Technologies UH-S Multibowl wellhead, which will be run through the rig floor on surface casing. BOPE will be nipped up and tested after cementing surface casing. Subsequent tests will be performed as needed, not to exceed 30 days. The field report from FMC Technologies and BOP test information will be provided in a subsequent report at the end of the well. Please see the attached wellhead schematic. An installation manual has been placed on file with the BLM office and remains unchanged from previous submittal. All tests performed by third party.

ONSHORE ORDER NO. 1
Chevron USA
HH SO 17 20 FED 003 302H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 2

4. CASING PROGRAM

a. The proposed casing program will be as follows:

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	450'	17-1/2" to 16"	13-3/8"	54.5 #	J-55	BTC/STC	New
Intermediate	0'	2,150'	12-1/4"	9-5/8"	40#	L-80	BTC/LTC	New
Production	0'	8,465'	8-1/2"	7"	29.0 #	P110/TN110S	BLUE	New
Production Liner	8,165'	19,570'	6-1/8"	4-1/2"	11.6 #	P110/TN110S	W521	New

b. Casing design subject to revision based on geologic conditions encountered.

A "Worst Case" casing design for wells in a particular area is used below to calculate the Casing Safety Factors. If for any reason the casing design for a particular well requires setting casing deeper than the following "worst case" design, then the Casing Safety Factors will be recalculated & sent to the BLM prior to drilling.

d. Chevron will fill casing at a minimum of every 20 jts (~840') while running for intermediate and production casing in order to maintain collapse SF.

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

Surface Casing:	450'	ftTVD
Intermediate Casing:	2,150'	ftTVD
Production Casing:	8,465'	ftTVD
Production Casing:	19,570'	ftMD

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Surface	1.79	5.19	6.03	2.22
Intermediate	1.46	2.41	4.29	1.79
Production	1.10	1.76	1.84	1.29
Production Liner	1.38	1.02	1.61	1.54

The following worst case load cases were considered for calculation of the above Min. Safety Factors:

Burst Design	Surf	Int	Prod	Prod Lnr
Pressure Test- Surface, Int, Prod Csg P external: Mud weight above TOC, PP below P internal: Test psi + next section heaviest mud in csg	X	X	X	X
Displace to Gas- Surf Csg P external: Mud weight above TOC, PP below P internal: Dry Gas from Next Csg Point	X			
Gas over mud (60/40) - Int Csg P external: Mud weight above TOC, PP below P internal: 60% gas over 40% mud from hole TD PP		X		
Stimulation (Frac) Pressures- Prod Csg P external: Mud weight above TOC, PP below P internal: Max inj pressure w/ heaviest injected fluid			X	X
Tubing leak- Prod Csg (packer at KOP) P external: Mud weight above TOC, PP below P internal: Leak just below surf, 8.45 ppg packer fluid			X	X
Collapse Design	Surf	Int	Prod	Prod
Full Evacuation P external: Mud weight gradient P internal: none	X	X	X	X
Cementing- Surf, Int, Prod Csg P external: Wet cement P internal: displacement fluid - water	X	X	X	X
Tension Design	Surf	Int	Prod	Prod
100k lb overpull	X	X	X	X

ONSHORE ORDER NO. 1
Chevron USA
HH SO 17 20 FED 003 302H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 3

5. CEMENTING PROGRAM

Slurry	Type	Top	Bottom	Sacks	Yield (cu ft/sk)	Density (ppg)	%Excess Open Hole	Water gal/sk	Volume cuft	Additives
<u>Surface 13-3/8</u>										
Tail	Class C	0'	450'	353	1.33	14.8	50	6.36	469	Extender, Antifoam, Retarder
<u>Intermediate Csg 9-5/8</u>										
Lead	Class C	0'	1,150'	217	2.49	11.9	50	14.11	540	Extender, Antifoam, Retarder, Viscosifier
Tail	Class C	1,150'	2,150'	382	1.33	14.8	50	6.36	507	Extender, Antifoam, Retarder, Viscosifier
<u>Production 7"</u>										
Lead	Class C	0'	7,465'	881	2.2	11.9	100	12.18	1939	Extender, Antifoam, Retarder, Viscosifier
Tail	Class C	7,465'	8,465'	161	1.4	14.5	50	6.82	226	Extender, Antifoam, Retarder, Viscosifier
<u>Production Liner 4-1/2"</u>										
Lead	Class C	8,165'	17,695'	585	1.84	13.2	20	9.86	1077	Extender, Antifoam, Retarder, Viscosifier
Tail	Acid Sol Class H	17,695'	19,570'	98	2.16	15	20	9.22	212	Extender, Antifoam, Retarder, Viscosifier

1. Final cement volumes will be determined by caliper.
2. Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
3. Production casing will have one solid body type centralizer on every joint in the lateral, then every other joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing and surface.

6. MUD PROGRAM

From	To	Type	Weight	Viscosity	Filtrate	Notes
0'	450'	Fresh water mud	8.3 - 9.1	28-30	N/C	
450'	2,150'	Brine	8.8 - 10.2	28-31	15-25	
2,150'	8,465'	WBM	8.8 - 9.6	50-70	15-25	
8,465'	19,570'	OBM	9.2 - 13.0	50-70	5-10	Due to wellbore stability, the mud program may exceed the MW weight window needed to maintain overburden of pore pressure.

A closed system will be used consisting of above ground steel tanks. All wastes accumulated during drilling operations will be contained in a portable trash cage and removed from location and deposited in an approved sanitary landfill. Sanitary wastes will be contained in a chemical porta-toilet and then hauled to an approved sanitary landfill.

All fluids and cuttings will be disposed of in accordance with New Mexico Oil Conservation Division rules and regulations. And transporting of E&P waste will follow EPA regulations and accompanying manifests.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume. When abnormal pressures are anticipated -- a pit volume totalizer (PVT), stroke counter, and flow sensor will be used to detect volume changes indicating loss or gain of circulating fluid volume.

A weighting agent and lost circulating material (LCM) will be onsite to mitigate pressure or lost circulation as hole conditions dictate.

ONSHORE ORDER NO. 1
Chevron USA
HH SO 17 20 FED 003 302H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 4

7. TESTING, LOGGING, AND CORING

The anticipated type and amount of testing, logging, and coring are as follows:

- a. Drill stem tests are not planned.
- b. The logging program will be as follows:

TYPE	Logs	Interval	Timing
Mudlogs	2 man mudlog	Surface casing shoe through prod hole TD	While drilling or circulating
LWD	MWD Gamma	Int. and Prod. Hole	While Drilling

- c. Conventional whole core samples are not planned.
- d. A directional survey will be run.

8. ABNORMAL PRESSURES AND HYDROGEN SULFIDE

- a. No abnormal pressure or temperatures are expected. Estimated BHP is: 5,000 psi
- b. Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

X Original Operator & OGRID No.: CHEVRON USA INC 4323
☐ Amended Date: 12/03/2019
Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

Well(s)/Production Facility – HHNM CTB 9 Train 2

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location	Footages	Expected MCF/D	Flared or Vented	Comments
HH SO 17 20 FED 003 301H	Pending	UL:N, Sec 8, T26S-R27E	244' FSL, 2284' FWL	2000	0	3 rd Bone Spring
HH SO 17 20 FED 003 302H	Pending	UL:N, Sec 8, T26S-R27E	169' FSL, 2283' FWL	2000	0	3 rd Bone Spring
HH SO 17 20 FED 003 401H	Pending	UL:N, Sec 8, T26S-R27E	269' FSL, 2284' FWL	2500	0	Wolfcamp A
HH SO 17 20 FED 003 402H	Pending	UL:N, Sec 8, T26S-R27E	219' FSL, 2284' FWL	2500	0	Wolfcamp A
HH SO 17 20 FED 003 403H	Pending	UL:N, Sec 8, T26S-R27E	194' FSL, 2283' FWL	2500	0	Wolfcamp A
HH SO 17 20 FED 003 404H	Pending	UL:N, Sec 8, T26S-R27E	144' FSL, 2283' FWL	2500	0	Wolfcamp A

Gathering System and Pipeline Notification

These wells will be connected to Chevron's HHNM CTB 9 (Train 2) production facility located in Sec 10, T26S, R27E, Eddy County, New Mexico during flowback and production. Gas produced from the production facility is dedicated to Enterprise GC, LLC (Enterprise) and will be connected to Enterprise's high pressure gathering system located in Eddy County, New Mexico. Produced gas will be processed at Enterprise's Orla, Texas gas plant located in Abstract 3895476, T&P RR Co Survey No. 30, Block 56 T2, Reeves County, Texas. Chevron periodically provides Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Chevron and Enterprise have periodic conference calls to discuss changes to the drilling and completion schedules.

Flowback Strategy

After the fracture treatment/completion operations, wells will be turned to permanent production facilities. Wells will have temporary sand catchers (separators) that will be installed at the well location to prevent sand from getting into the flowlines. These sand separators will be blown down periodically which will result in minimal venting of gas. Gas sales will start as soon as the wells start flowing through the production facilities unless there are operational issues with Enterprise's system at that time. Based on current information, it is Chevron's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- NGL Removal – On lease and trucked from condensate tanks
 - Plants are expensive and uneconomical to operate when gas volume declines.
 - Any residue gas that results in the future may be flared.

Chevron U.S.A. Inc. (CUSA)
SUNDRY ATTACHMENT: SPUDDER RIG

DATA OPERATOR NAME: Chevron U.S.A. Inc.

1. SUMMARY OF REQUEST:

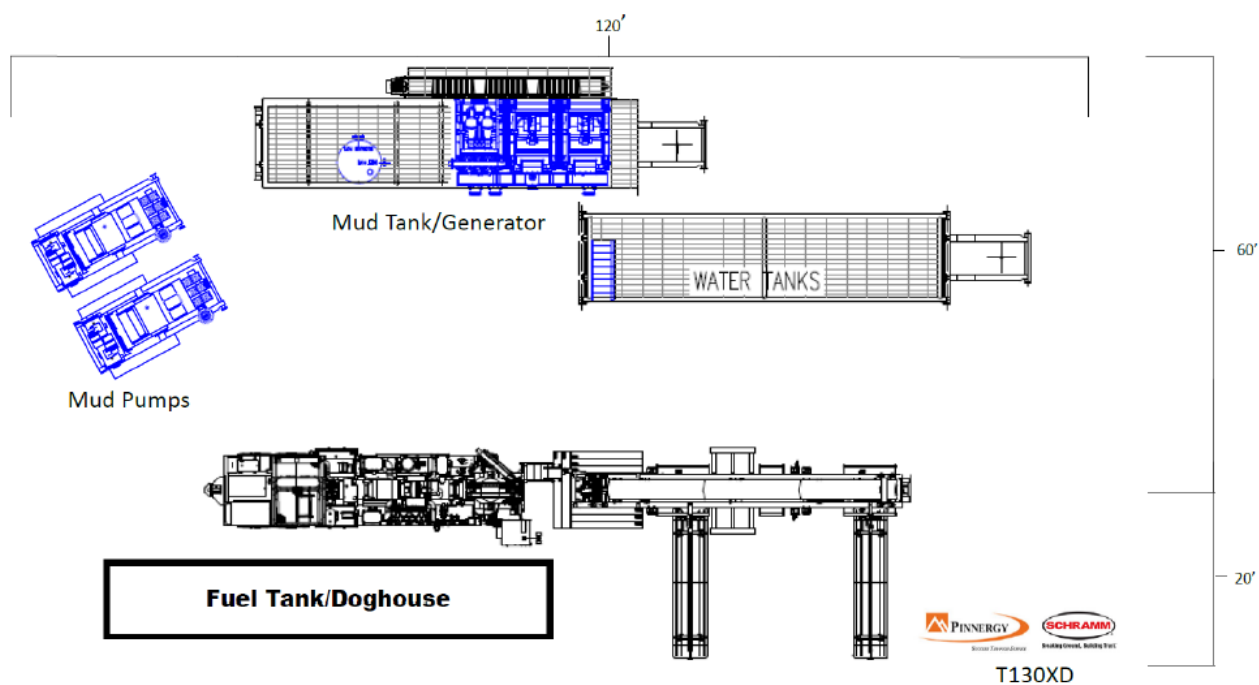
CUSA respectfully requests approval for the following operations for the surface hole in the drill plan:

1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations

1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run casing and cement following all the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and then tested offline after the WOC time has been reached.
3. An abandonment cap at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on one wing-valve.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. Spudder rig operations are expected to take 2-3 days per well on the pad.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nipped up and tested on the wellhead before drilling operations resume on each well.
 - a. The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
7. CUSA will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, CUSA will secure the wellhead area by placing a guard rail around the cellar area.

Surface Rig Layout



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 ° ' ")
	17200.00	90.00	179.82	8741.00	8429.16	-8431.40	-214.53	0.00	373544.37	537055.49	N 32 1 36.95	W 104 12 49.55
	17300.00	90.00	179.82	8741.00	8529.16	-8531.40	-214.22	0.00	373444.38	537055.80	N 32 1 35.96	W 104 12 49.54
	17400.00	90.00	179.82	8741.00	8629.16	-8631.40	-213.90	0.00	373344.39	537056.12	N 32 1 34.97	W 104 12 49.54
	17500.00	90.00	179.82	8741.00	8729.16	-8731.40	-213.58	0.00	373244.40	537056.44	N 32 1 33.98	W 104 12 49.54
	17600.00	90.00	179.82	8741.00	8829.15	-8831.40	-213.27	0.00	373144.40	537056.75	N 32 1 32.99	W 104 12 49.54
	17700.00	90.00	179.82	8741.00	8929.15	-8931.40	-212.95	0.00	373044.41	537057.07	N 32 1 32.01	W 104 12 49.53
	17800.00	90.00	179.82	8741.00	9029.15	-9031.40	-212.63	0.00	372944.42	537057.39	N 32 1 31.02	W 104 12 49.53
	17900.00	90.00	179.82	8741.00	9129.15	-9131.40	-212.31	0.00	372844.43	537057.70	N 32 1 30.03	W 104 12 49.53
	18000.00	90.00	179.82	8741.00	9229.15	-9231.40	-212.00	0.00	372744.44	537058.02	N 32 1 29.04	W 104 12 49.53
	18100.00	90.00	179.82	8741.00	9329.15	-9331.40	-211.68	0.00	372644.45	537058.34	N 32 1 28.05	W 104 12 49.52
	18200.00	90.00	179.82	8741.00	9429.14	-9431.40	-211.36	0.00	372544.46	537058.66	N 32 1 27.06	W 104 12 49.52
	18300.00	90.00	179.82	8741.00	9529.14	-9531.40	-211.05	0.00	372444.47	537058.97	N 32 1 26.07	W 104 12 49.52
	18400.00	90.00	179.82	8741.00	9629.14	-9631.40	-210.73	0.00	372344.48	537059.29	N 32 1 25.08	W 104 12 49.52
	18500.00	90.00	179.82	8741.00	9729.14	-9731.40	-210.41	0.00	372244.49	537059.61	N 32 1 24.09	W 104 12 49.51
	18600.00	90.00	179.82	8741.00	9829.14	-9831.40	-210.10	0.00	372144.50	537059.92	N 32 1 23.10	W 104 12 49.51
	18700.00	90.00	179.82	8741.00	9929.14	-9931.40	-209.78	0.00	372044.51	537060.24	N 32 1 22.11	W 104 12 49.51
	18800.00	90.00	179.82	8741.00	10029.13	-10031.40	-209.46	0.00	371944.52	537060.56	N 32 1 21.12	W 104 12 49.51
	18900.00	90.00	179.82	8741.00	10129.13	-10131.40	-209.14	0.00	371844.53	537060.87	N 32 1 20.13	W 104 12 49.50
	19000.00	90.00	179.82	8741.00	10229.13	-10231.39	-208.83	0.00	371744.54	537061.19	N 32 1 19.14	W 104 12 49.50
	19100.00	90.00	179.82	8741.00	10329.13	-10331.39	-208.51	0.00	371644.55	537061.51	N 32 1 18.15	W 104 12 49.50
	19200.00	90.00	179.82	8741.00	10429.13	-10431.39	-208.19	0.00	371544.56	537061.83	N 32 1 17.16	W 104 12 49.50
	19300.00	90.00	179.82	8741.00	10529.13	-10531.39	-207.88	0.00	371444.57	537062.14	N 32 1 16.17	W 104 12 49.49
	19400.00	90.00	179.82	8741.00	10629.12	-10631.39	-207.56	0.00	371344.58	537062.46	N 32 1 15.18	W 104 12 49.49
LTP Cross	19495.31	90.00	179.82	8741.00	10724.43	-10726.70	-207.26	0.00	371249.28	537062.76	N 32 1 14.24	W 104 12 49.49
	19500.00	90.00	179.82	8741.00	10729.12	-10731.39	-207.24	0.00	371244.59	537062.78	N 32 1 14.19	W 104 12 49.49
HH SO 17 20 FED 003 302H - PBHL	19570.59	90.00	179.82	8741.00	10799.72	-10801.99	-207.02	0.00	371174.00	537063.00	N 32 1 13.49	W 104 12 49.49

Survey Type: Def Plan

Survey Error Model: ISCWSA Rev 3 *** 3-D 97.071% Confidence 3.0000 sigma
Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Expected Max Inclination (deg)	Survey Tool Type	Borehole / Survey
	1	0.000	28.000	1/100.000	30.000	30.000		B001Mb_MWD+HRGM-Depth Only	HH SO 17 20 Fed 003 302H / Chevron HH SO 17 20 FED 003 302H Rev0 kFc 25Nov19
	1	28.000	19570.595	1/100.000	30.000	30.000		B001Mb_MWD+HRGM	HH SO 17 20 Fed 003 302H / Chevron HH SO 17 20 FED 003



H₂S Preparedness and Contingency Plan Summary

HH SO 17 20 FED 003 301H, 302H, 401H, 402H, 403H & 404H

Training

MCBU Drilling and Completions H₂S training requirements are intended to define the minimum level of training required for employees, contractors and visitors to enter or perform work at MCBU Drilling and Completions locations that have known concentrations of H₂S.

Awareness Level

Employees and visitors to MCBU Drilling and Completions locations that have known concentrations of H₂S, who are not required to perform work in H₂S areas, will be provided with an awareness level of H₂S training prior to entering any H₂S areas. At a minimum, awareness level training will include:

1. Physical and chemical properties of H₂S
2. Health hazards of H₂S
3. Personal protective equipment
4. Information regarding potential sources of H₂S
5. Alarms and emergency evacuation procedures

Awareness level training will be developed and conducted by personnel who are qualified either by specific training, educational experience and/or work-related background.

Advanced Level H₂S Training

Employees and contractors required to work in areas that may contain H₂S will be provided with Advanced Level H₂S training prior to initial assignment. In addition to the Awareness Level requirements, Advanced Level H₂S training will include:

1. H₂S safe work practice procedures;
2. Emergency contingency plan procedures;
3. Methods to detect the presence or release of H₂S (e.g., alarms, monitoring equipment), including hands-on training with direct reading and personal monitoring H₂S equipment.
4. Basic overview of respiratory protective equipment suitable for use in H₂S environments. Note: Employees who work at sites that participate in the Chevron Respirator User program will require separate respirator training as required by the MCBU Respiratory Protection Program;
5. Basic overview of emergency rescue techniques, first aid, CPR and medical evaluation procedures. Employees who may be required to perform "standby" duties are required to receive additional first aid and CPR training, which is not covered in the Advanced Level H₂S training;
6. Proficiency examination covering all course material.

Advanced H₂S training courses will be instructed by personnel who have successfully completed an appropriate H₂S train-the-trainer development course (ANSI/ASSE Z390.1-2006) or who possess significant past experience through educational or work-related background.



H₂S Preparedness and Contingency Plan Summary

H₂S Training Certification

All employees and visitors will be issued an H₂S training certification card (or certificate) upon successful completion of the appropriate H₂S training course. Personnel working in an H₂S environment will carry a current H₂S training certification card as proof of having received the proper training on their person at all times.

Briefing Area

A minimum of two briefing areas will be established in locations that at least one area will be upwind from the well at all times. Upon recognition of an emergency situation, all personnel should assemble at the designated upwind briefing areas for instructions.

H₂S Equipment

Respiratory Protection

- a) Six 30 minute SCBAs – 2 at each briefing area and 2 in the Safety Trailer.
- b) Eight 5 minute EBAs – 5 in the dog house at the rig floor, 1 at the accumulator, 1 at the shale shakers and 1 at the mud pits.

Visual Warning System

- a) One color code sign, displaying all possible conditions, will be placed at the entrance to the location with a flag displaying the current condition.
- b) Two windsocks will be on location, one on the dog house and one on the Drill Site Manager's Trailer.

H₂S Detection and Monitoring System

- a) H₂S monitoring system (sensor head, warning light and siren) placed throughout rig.
 - Drilling Rig Locations: at a minimum, in the area of the Shale shaker, rig floor, and bell nipple.
 - Workover Rig Locations: at a minimum, in the area of the Cellar, rig floor and circulating tanks or shale shaker.



H₂S Preparedness and Contingency Plan Summary

Well Control Equipment

- a) Flare Line 150' from wellhead with igniter.
- b) Choke manifold with a remotely operated choke.
- c) Mud / gas separator

Mud Program

In the event of drilling, completions, workover and well servicing operations involving a hydrogen sulfide concentration of 100 ppm or greater the following shall be considered:

- 1. Use of a degasser
- 2. Use of a zinc based mud treatment
- 3. Increasing mud weight

Public Safety - Emergency Assistance

<u>Agency</u>	<u>Telephone Number</u>
Lea County Sheriff's Department	575-396-3611
Fire Department:	
Carlsbad	575-885-3125
Artesia	575-746-5050
Lea County Regional Medical Center	575-492-5000
Jal Community Hospital	505-395-2511
Lea County Emergency Management	575-396-8602
Poison Control Center	800-222-1222

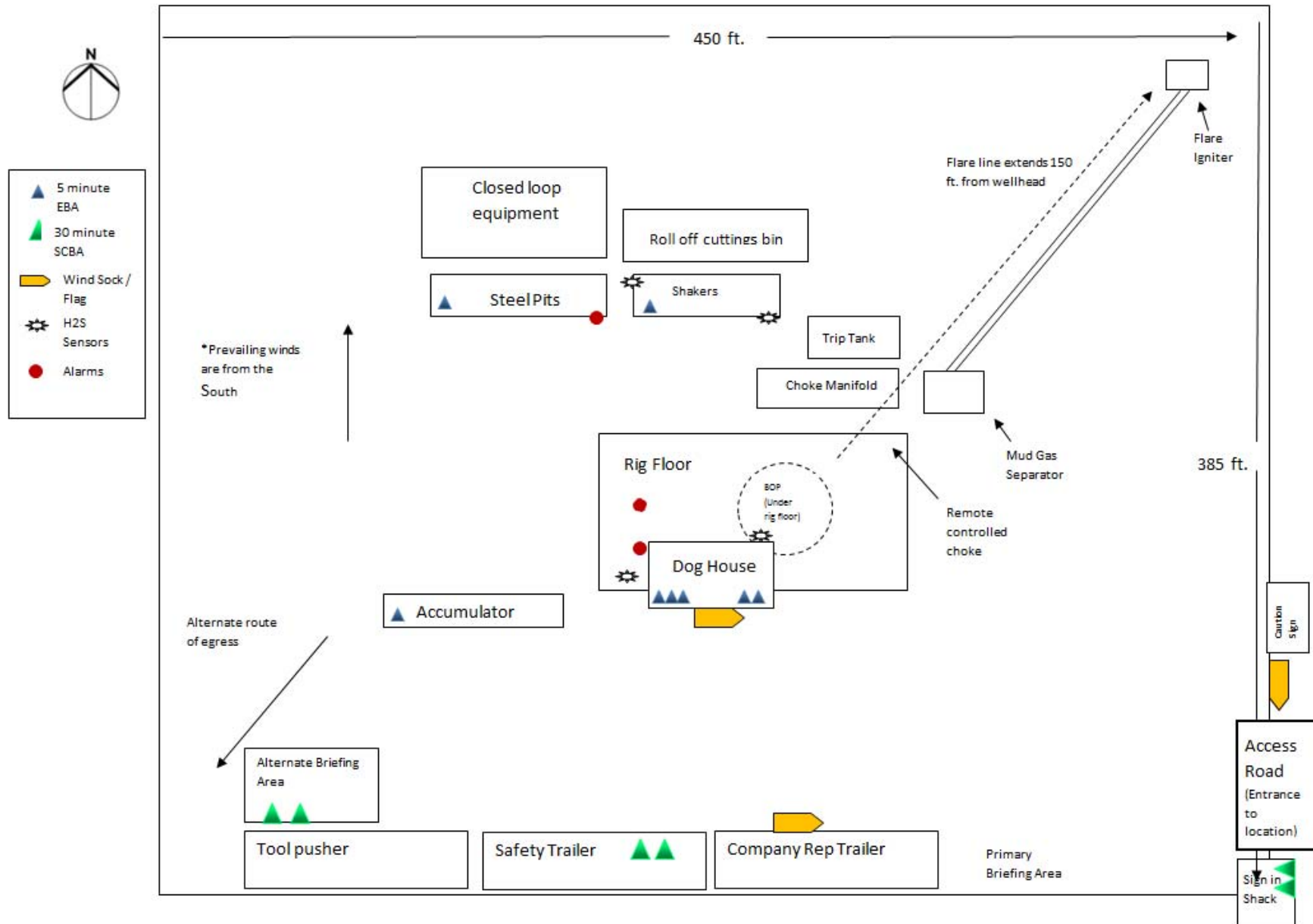


H₂S Preparedness and Contingency Plan Summary

Chevron MCBU D&C Emergency Notifications

Below are lists of contacts to be used in emergency situations.

	Name	Title	Office Number	Cell Phone
1.	TBD	Drilling Engineer		
2.	TBD	Superintendent		
5.	Steve Hassmann	Drilling Manager	(713) 372-4496	832-729-3236
6.	Kyle Eastman	Operations Manager	TBD	281-755-6554
7.	TBD	D&C HES		
8.	TBD	Completion Engineer		



ONSHORE ORDER NO. 1
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Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 3

5. CEMENTING PROGRAM

Slurry	Type	Top	Bottom	Sacks	Yield (cu ft/sk)	Density (ppg)	%Excess Open Hole	Water gal/sk	Volume cuft	Additives
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2. Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
3. Production casing will have one solid body type centralizer on every joint in the lateral, then every other joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing and surface.

6. MUD PROGRAM

From	To	Type	Weight	Viscosity	Filtrate	Notes
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450'	2,150'	Brine	8.8 - 10.2	28-31	15-25	
2,150'	8,465'	WBM	8.8 - 9.6	50-70	15-25	
8,465'	19,570'	OBM	9.2 - 13.0	50-70	5-10	Due to wellbore stability, the mud program may exceed the MW weight window needed to maintain overburden of pore pressure.

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ONSHORE ORDER NO. 1
Chevron USA
HH SO 17 20 FED 003 302H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 4

7. TESTING, LOGGING, AND CORING

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- a. Drill stem tests are not planned.
- b. The logging program will be as follows:

TYPE	Logs	Interval	Timing
Mudlogs	2 man mudlog	Surface casing shoe through prod hole TD	While drilling or circulating
LWD	MWD Gamma	Int. and Prod. Hole	While Drilling

- c. Conventional whole core samples are not planned.
- d. A directional survey will be run.

8. ABNORMAL PRESSURES AND HYDROGEN SULFIDE

- a. No abnormal pressure or temperatures are expected. Estimated BHP is: 5,000 psi
- b. Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report

05/04/2021

APD ID: 10400052674

Submission Date: 12/30/2019

Highlighted data
reflects the most
recent changes

Operator Name: CHEVRON USA INCORPORATED

Well Name: HH SO 17 20 FED 003

Well Number: 302H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
615870	CASTILE	3251	649	649	ANHYDRITE, SALT	NONE	N
615887	LAMAR	1149	2102	2102	LIMESTONE, SHALE	NONE	N
615871	BELL CANYON	1120	2131	2131	LIMESTONE, SANDSTONE	NONE	N
615873	CHERRY CANYON	297	2954	2954	LIMESTONE, SANDSTONE, SILTSTONE	NONE	N
615874	BRUSHY CANYON	-785	4036	4036	LIMESTONE, SANDSTONE, SHALE	NONE	N
615875	BONE SPRING LIME	-2420	5671	5671	SHALE, SILTSTONE	NONE	N
615885	AVALON SAND	-2547	5798	5798	SHALE	NONE	N
615877	BONE SPRING 1ST	-3350	6601	6601	SANDSTONE, SHALE	NONE	N
615878	BONE SPRING 2ND	-3846	7097	7097	SANDSTONE, SHALE	NONE	N
615881	BONE SPRING 3RD	-4985	8236	8236	LIMESTONE, SANDSTONE, SHALE	NONE	N
615880	BONE SPRING 3RD	-5214	8465	8465	LIMESTONE, SANDSTONE, SHALE	NONE	N
615884	BONE SPRING 3RD	-5490	8741	19570	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 8741

Equipment: Chevron will have a minimum of a 5,000 psi rig stack for drill out below surface casing. The stack will be tested as specified in the attached testing requirements. Batch drilling of the surface, intermediate, and production will take place. A full BOP test will be performed per hole section, unless approval from BLM is received otherwise. Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test will be conducted by a third party.

Requesting Variance? YES

Variance request: Chevron requests a variance to use a FMC Technologies UH-S Multibowl wellhead, which will be run through the rig floor on surface casing. BOPE will be nipped up and tested after cementing surface casing. Subsequent tests will be performed as needed, not to exceed 30 days. The field report from FMC Technologies and BOP test information will

Page 1 of 7

BLOWOUT PREVENTER SCHEMATIC

Operation:

Intermediate & Production Drilling Operations

Minimum System operation pressure

5,000 psi

BOP Stack

Part	Size	Pressure Rating	Description
A	13-5/8"	N/A	Rotating Head/Bell nipple
B	13-5/8"	5,000	Annular
C	13-5/8"	10,000	Blind Ram
D	13-5/8"	10,000	Pipe Ram
E	13-5/8"	10,000	Mud Cross
F	13-5/8"	10,000	Pipe Ram

Kill Line

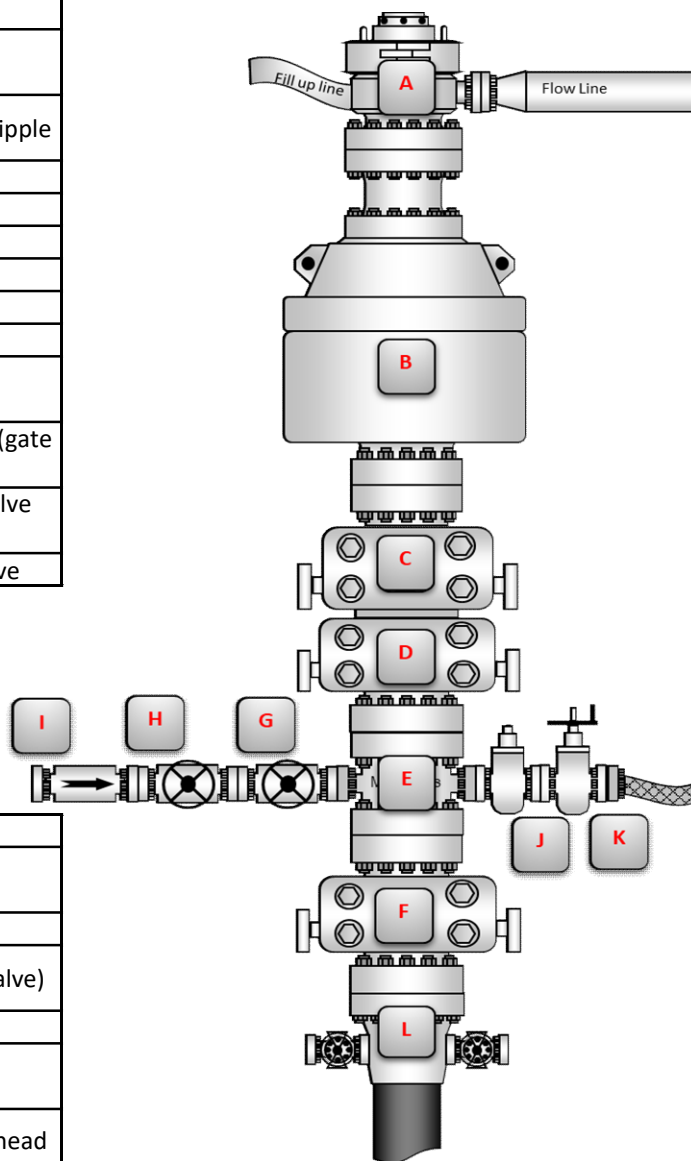
Part	Size	Pressure Rating	Description
G	2"	10,000	Inside Kill Line Valve (gate valve)
H	2"	10,000	Outside Kill Line Valve (gate valve)
I	2"	10,000	Kill Line Check valve

Choke line

Part	Size	Pressure Rating	Description
J	3"	10,000	HCR (gate valve)
K	3"	10,000	Manual HCR (gate valve)

Wellhead

Part	Size	Pressure Rating	Description
L	13-5/8"	5,000	FMC Multibowl wellhead



BOP Installation Checklist: The following items must be verified and checked off prior to pressure testing BOP equipment

The installed BOP equipment meets at least the minimum requirements (rating, type, size, configuration) as shown on this schematic. Components may be substituted for equivalent equipment rated to higher pressures. Additional components may be put into place as long as they meet or exceed the minimum pressure rating of the system.

All valves on the kill line and choke line will be full opening and will allow straight flow through.

Manual (hand wheels) or automatic locking devices will be installed on all ram preventers. Hand wheels will also be install on all manual valves on the choke and kill line.

A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve will remain open unless accumulator is inoperative.

Upper kelly cock valve with handle will be available on rig floor along with saved valve and subs to fit all drill string connections in use.

CHOKE MANIFOLD SCHEMATIC

Operation:

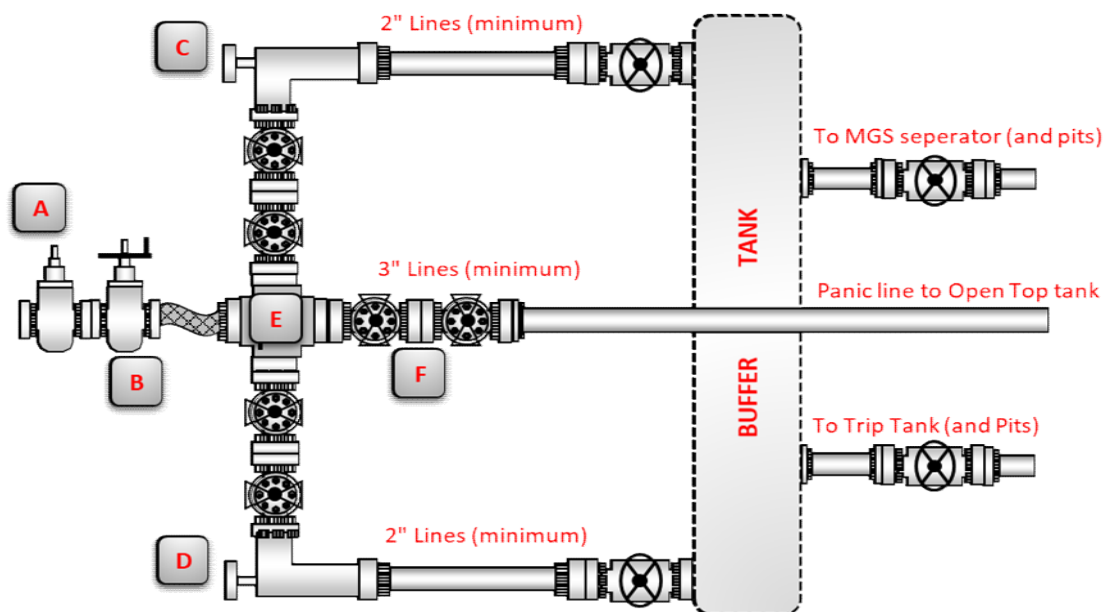
Intermediate & Production

Minimum System operation pressure

5,000 psi

Choke Manifold

Part	Size	Pressure Rating	Description
A	3"	10,000	HCR (remotely operated)
B	3"	10,000	HCR (manually operated)
C	2"	10,000	Remotely operated choke
D	2"	10,000	Adjustable choke
E	3"	10,000	Crown valve with pressure gage
F	3"	10,000	Panic line valves



Choke Manifold Installation Checklist: The following items must be verified and checked off prior to pressure testing BOP equipment

The installed BOP equipment meets at least the minimum requirements (rating, type, size, configuration) as shown on this schematic. Components may be substituted for equivalent equipment rated to higher pressures. Additional components may be put into place as long as they meet or exceed the minimum pressure rating of the system.

Adjustable chokes may be remotely operated but will have backup hand pump for hydraulic actuation in case of loss of rig air or power.

Flare and panic lines will terminate a minimum of 150' from the wellhead. These lines will terminate at a location as per approved APD.

All valves (except chokes) on choke line, kill line and choke manifold will be full opening and will allow straight through flow. This excludes any valves between the mud gas separator and shale shakers.

All manual valves will have hand wheels installed.

Flare systems will have an effective method for ignition.

All connections will be flanged, welded or clamped

If buffer tank is used, a valve will be used on all lines at any entry or exit point to or from the buffer tank.

BLOWOUT PREVENTER SCHEMATIC

Operation:

Intermediate & Production

Minimum System operation pressure

5,000 psi

Minimum Requirements

Closing Unit and Accumulator Checklist

The following item must be performed, verified, and checked off at least once per well prior to low/high pressure testing of BOP equipment. This must be repeated after 6 months on the same well.

- ☐ Precharge pressure for each accumulator bottle must fall within the range below. Bottles may be further charged with nitrogen gas only. Tested precharge pressures must be recorded for each individual bottle and kept on location through the end of the well. Test will be conducted prior to connecting unit to BOP stack.
- | Check one that applies | Accumulator working pressure rating | Minimum acceptable operating pressure | Desired precharge pressure | Maximum acceptable precharge pressure | Minimum acceptable precharge pressure |
|--------------------------|-------------------------------------|---------------------------------------|----------------------------|---------------------------------------|---------------------------------------|
| <input type="checkbox"/> | 1500 psi | 1500 psi | 750 psi | 800 psi | 700 psi |
| <input type="checkbox"/> | 2000 psi | 2000 psi | 1000 psi | 1100 psi | 900 psi |
| <input type="checkbox"/> | 3000 psi | 3000 psi | 1000 psi | 1100 psi | 900 psi |
- ☐ Accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if used), close all rams, close the annular preventer, and retain a minimum of 200 psi above the maximum acceptable precharge pressure (see table above) on the closing manifold without the use of the closing pumps. This test will be performed with test pressure recorded and kept on location through the end of the well
- ☐ Accumulator fluid reservoir will be double the usable fluid volume of the accumulator system capacity. Fluid level will be maintained at manufacturer's recommendations. Usable fluid volume will be recorded. Reservoir capacity will be recorded. Reservoir fluid level will be recorded along with manufacturer's recommendation. All will be kept on location through the end of the well.
- ☐ Closing unit system will have two independent power sources (not counting accumulator bottles) to close the preventers.
- ☐ Power for the closing unit pumps will be available to the unit at all times so that the pumps will automatically start when the closing valve manifold pressure decreases to the pre-set level. It is recommended to check that air line to accumulator pump is "ON" during each tour change.
- ☐ With accumulator bottles isolated, closing unit will be capable of opening the hydraulically-operated choke line valve (if used) plus close the annular preventer on the smallest size drill pipe within 2 minutes and obtain a minimum of 200 psi above maximum acceptable precharge pressure (see table above) on the closing manifold. Test pressure and closing time will be recorded and kept on location through the end of the well.
- ☐ Master controls for the BOPE system will be located at the accumulator and will be capable of opening and closing all preventer and the choke line valve (if used)
- ☐ Remote controls for the BOPE system will be readily accessible (clear path) to the driller and located on the rig floor (not in the dog house). Remote controls will be capable of closing all preventers.
- ☐ Record accumulator tests in drilling reports and IADC sheet

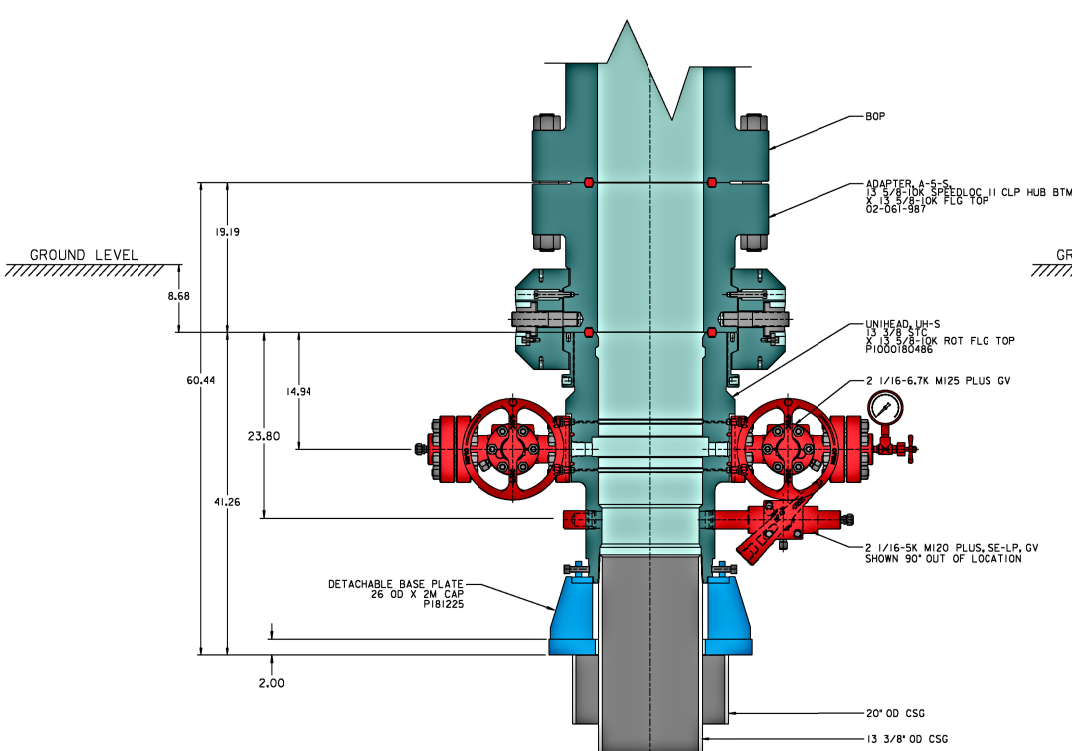
BOPE 5K Test Checklist

The following items must be checked off prior to beginning test:

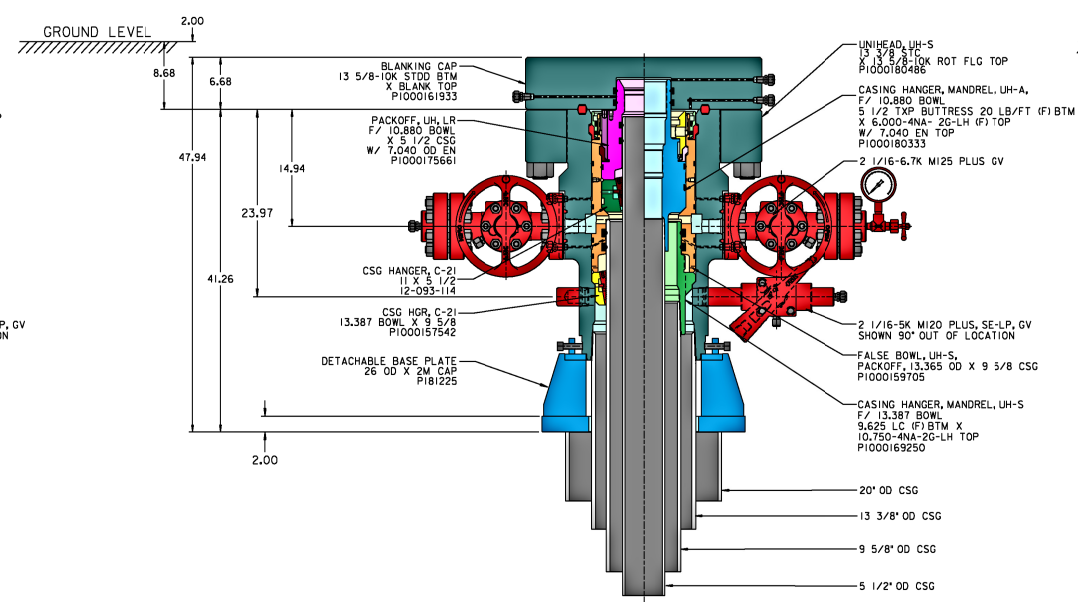
- ☐ BLM will be given at least 4 hour notice prior to beginning BOPE testing.
- ☐ Valve on casing head below test plug will be open.
- ☐ Test will be performed using clear water.

The following items must be performed during the BOPE testing:

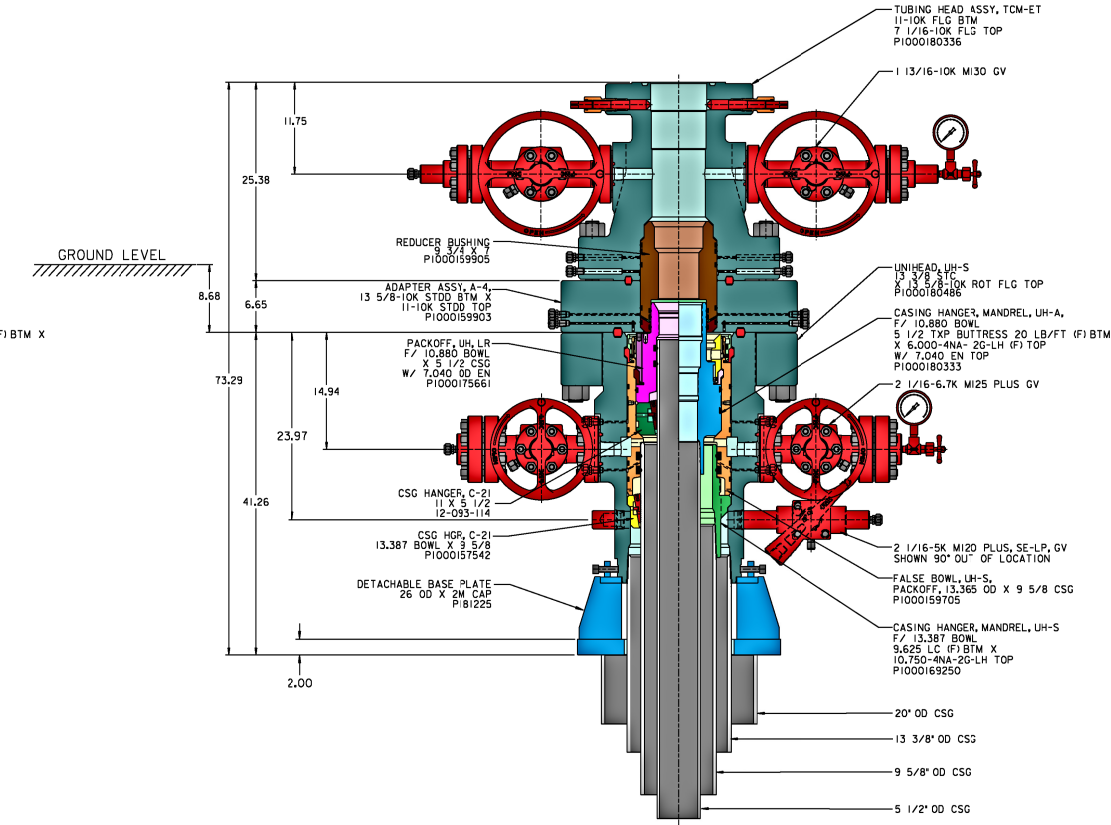
- ☐ BOPE will be pressure tested when initially installed, whenever any seal subject to test pressure is broken, following related repairs, and at a minimum of 30 day intervals. **Test pressure and times will be recorded by a 3rd party on a test charge and kept on location through the end of the well.**
- ☐ Test plug will be used.
- ☐ Ram type preventer and all related well control equipment will be tested to 250 psi (low) and 5,000 psi (high).
- ☐ Annular type preventer will be tested to 250 psi (low) and 3,500 psi (high).
- ☐ Valves will be tested from the working pressure side with all downstream valves open. The check valve will be held open to test the kill line valve(s).
- ☐ Each pressure test will be held for 10 minutes with no allowable leak off.
- ☐ Master controls and remote controls to the closing unit (accumulator) must be function tested as part of the BOPE test.
- ☐ Record BOP tests and pressures in drilling reports and IADC sheet.



DRILLING MODE



CAPPING MODE



COMPLETION MODE

6650 PSI UH-S
CHEVRON
20 X 13 3/8 X 9 5/8 X 5 1/2

PRIVATE AND CONFIDENTIAL		DESCRIPTION		DRAWN BY: T. PHAM		DATE: 03-07-17		TechnipFMC	
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				APPROVED BY: J. GARZA		DATE: 08-25-17		DRAWING NUMBER: DM100233441	

QUOTE 2033133
F10262
080104378
SEQ DWG DM100226890
REF: DM100226885
DM100215485

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District IV
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 38480

COMMENTS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 38480
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

COMMENTS

Created By	Comment	Comment Date
kpickford	KP GEO Review 7/29/2021	7/29/2021

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	Action Number: 38480
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Will require administrative order for non-standard spacing unit	7/29/2021
kpickford	Notify OCD 24 hours prior to casing & cement	7/29/2021
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104	7/29/2021
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	7/29/2021
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	7/29/2021
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	7/29/2021