

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101

August 1, 2011

Permit 323498

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706		2. OGRID Number 4323
		3. API Number 30-015-49951
4. Property Code 333272	5. Property Name BAILEYS 25 36 STATE COM P44	6. Well No. 004H

7. Surface Location

UL - Lot N	Section 24	Township 26S	Range 27E	Lot Idn	Feet From 975	N/S Line S	Feet From 2336	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot L	Section 36	Township 26S	Range 27E	Lot Idn L	Feet From 50	N/S Line S	Feet From 1600	E/W Line E	County Eddy
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9. Pool Information

HAY HOLLOW;BONE SPRING	30215
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3054
16. Multiple N	17. Proposed Depth 15380	18. Formation Bone Spring	19. Contractor	20. Spud Date 12/8/2022
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	450	233	0
Int1	12.25	9.675	40	2150	349	0
Int2	8.75	7	29	7400	472	1950
Prod	6.125	5	18	7620	554	7250
Prod	6.125	4.5	11.6	15380	554	7250

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	TBD

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Cindy Herrera-Murillo	Approved By: Katherine Pickford	
Title: Sr. HES Regulatory Affairs Coordinator	Title: Geoscientist	
Email Address: eeof@chevron.com	Approved Date: 9/7/2022	Expiration Date: 9/7/2024
Date: 9/6/2022	Phone: 575-263-0431	Conditions of Approval Attached

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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 30-015-49951	² Pool Code 30215	³ Pool Name HAY HOLLOW; BONE SPRING
⁴ Property Code 333272	⁵ Property Name BAILEYS 25 36 STATE COM P44	⁶ Well Number 4H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3054'

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	24	26 SOUTH	27 EAST, N.M.P.M.		975'	SOUTH	2336'	EAST	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
L2	36	26 SOUTH	27 EAST, N.M.P.M.		50'	SOUTH	1600'	EAST	EDDY

¹² Dedicated Acres 448.09	¹³ Joint or Infill DEFINING	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁶ BAILEYS 25 36 STATE COM P44 NO. 4H WELL X = 558,606' (NAD27 NM E) Y = 372,152' LAT. 32.023019° N (NAD27) LONG. 104.144233° W X = 599,790' (NAD83/86 NM E) Y = 372,209' LAT. 32.023142° N (NAD83/86) LONG. 104.144722° W ELEV. 3054' (NAVD88) PROPOSED FIRST TAKE POINT X = 559,972' (NAD27 NM E) Y = 371,078' LAT. 32.020060° N (NAD27) LONG. 104.139828° W X = 601,157' (NAD83/86 NM E) Y = 371,135' LAT. 32.020183° N (NAD83/86) LONG. 104.140318° W PROPOSED MID POINT @ SECTION LINE X = 559,989' (NAD27 NM E) Y = 365,860' LAT. 32.005715° N (NAD27) LONG. 104.139805° W X = 601,174' (NAD83/86 NM E) Y = 365,917' LAT. 32.005838° N (NAD83/86) LONG. 104.140294° W PROPOSED LAST TAKE POINT X = 559,994' (NAD27 NM E) Y = 363,830' LAT. 32.000134° N (NAD27) LONG. 104.139800° W X = 601,179' (NAD83/86 NM E) Y = 363,886' LAT. 32.000257° N (NAD83/86) LONG. 104.140289° W CORNER COORDINATES TABLE (NAD 27) A Y = 372505.46, X = 557593.61 B Y = 372506.31, X = 558918.86 C Y = 371176.61, X = 557598.99 D Y = 371177.56, X = 558924.06 E Y = 371178.23, X = 560248.11 F Y = 371178.91, X = 561572.15 G Y = 368518.10, X = 558930.93 H Y = 368518.47, X = 560255.63 I Y = 368518.83, X = 561580.33 J Y = 365860.47, X = 558937.80 K Y = 365859.78, X = 560263.40 L Y = 365859.10, X = 561589.00 M Y = 363728.90, X = 558942.70 N Y = 363729.85, X = 560268.64 O Y = 363730.84, X = 561594.55 PROPOSED BOTTOM HOLE LOCATION X = 559,994' (NAD27 NM E) Y = 363,780' LAT. 31.999996° N (NAD27) LONG. 104.139800° W X = 601,179' (NAD83/86 NM E) Y = 363,836' LAT. 32.000120° N (NAD83/86) LONG. 104.140289° W	Sec. 24 Sec. 25 Sec. 36 Culberson Co. Texas	¹⁷ OPERATOR CERTIFICATION 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. <i>Carol Adler</i> 8/3/2022 Signature Date Carol Adler Printed Name caroladler@chevron.com E-mail Address ¹⁸ SURVEYOR CERTIFICATION 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. 06/27/22 Date of Survey Signature and Seal of Professional Surveyor: <i>Robert L. Lastrapes</i> 23006 06/29/2022 Certificate Number
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Form APD Comments

Permit 323498

PERMIT COMMENTS

Operator Name and Address: CHEVRON U S A INC [4323] 6301 Deauville Blvd Midland, TX 79706	API Number: 30-015-49951
	Well: BAILEYS 25 36 STATE COM P44 #004H

Created By	Comment	Comment Date
kpickford	The NGMP is incomplete. Required supplemental information noted under section 1, VI, VII, & VIII is missing. Unable to obtain this from the operator after two attempts.	8/19/2022
kpickford	Defining Well	9/7/2022

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Form APD Conditions

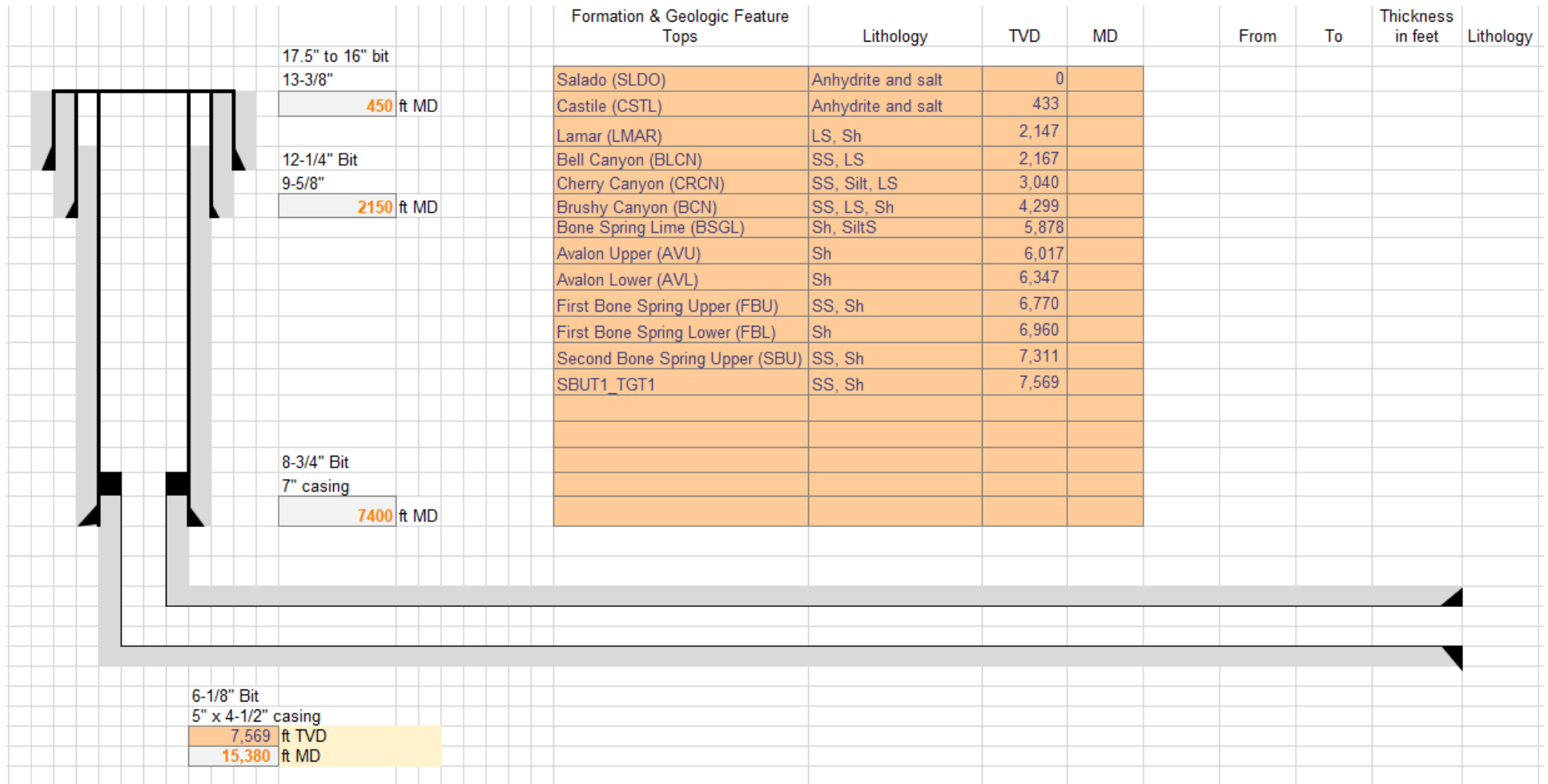
Permit 323498

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: CHEVRON U S A INC [4323] 6301 Deauville Blvd Midland, TX 79706	API Number: 30-015-49951
	Well: BAILEYS 25 36 STATE COM P44 #004H

OCD Reviewer	Condition
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
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
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing
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

[illegible]





Baileys 25 36 State Com P44 No. 4H R0 mdv 14July22 Proposal Geodetic Report (Def Plan)



Report Date: July 18, 2022 - 02:32 PM
Client: Chevron
Field: NM, Eddy County (NAD 27 EZ)
Structure / Slot: Chevron HNM Pkg 44 Baileys 25 36 State Pad / 4H
Well: Baileys 25 36 State Com P44 No. 4H
Borehole: Baileys 25 36 State Com P44 No. 4H
UWI / API#: Unknown / Unknown
Survey Name: Baileys 25 36 State Com P44 No. 4H R0 mdv 14July22
Survey Date: July 18, 2022
Tort / AHD / DDI / ERD Ratio: 98.101' / 9248.176 ft / 6.264' / 1.217
Coordinate Reference System: NAD27 New Mexico State Plane, Eastern Zone, US Feet
Location Lat / Long: N 32° 1' 22.86863", W 104° 8' 39.23293"
Location Grid N/E/Y/X: N 372152.000 ftUS, E 558606.000 ftUS
CRS Grid Convergence Angle: 0.1003 °
Grid Scale Factor: 0.99991302
Version / Patch: 2.10.829.1

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 179.830 ° (Grid North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: RKB = 28ft
TVD Reference Elevation: 3082.000 ft above MSL
Seabed / Ground Elevation: 3054.000 ft above MSL
Magnetic Declination: 6.747 °
Total Gravity Field Strength: 998.4450mgm (9.80665 Based)
Gravity Model: GARM
Total Magnetic Field Strength: 47464.757 nT
Magnetic Dip Angle: 59.556 °
Declination Date: July 18, 2022
Magnetic Declination Model: HDGM 2022
North Reference: Grid North
Grid Convergence Used: 0.1003 °
Total Corr Mag North->Grid North: 6.6469 °
Local Coord Referenced To: Well Head

	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 ° ' ")
Surface	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	372152.00	558606.00	N 32 1 22.87 W 104 8 39.23	
	100.00	0.00	111.70	100.00	0.00	0.00	0.00	0.00	372152.00	558606.00	N 32 1 22.87 W 104 8 39.23	
	200.00	0.00	111.70	200.00	0.00	0.00	0.00	0.00	372152.00	558606.00	N 32 1 22.87 W 104 8 39.23	
	300.00	0.00	111.70	300.00	0.00	0.00	0.00	0.00	372152.00	558606.00	N 32 1 22.87 W 104 8 39.23	
	400.00	0.00	111.70	400.00	0.00	0.00	0.00	0.00	372152.00	558606.00	N 32 1 22.87 W 104 8 39.23	
Castile (CSTL)	461.44	0.00	111.70	461.44	0.00	0.00	0.00	0.00	372152.00	558606.00	N 32 1 22.87 W 104 8 39.23	
Build 1.5"/100ft	500.00	0.00	111.70	500.00	0.00	0.00	0.00	0.00	372152.00	558606.00	N 32 1 22.87 W 104 8 39.23	
	600.00	1.50	111.70	599.99	0.49	-0.48	1.22	1.50	372151.52	558607.22	N 32 1 22.86 W 104 8 39.22	
	700.00	3.00	111.70	699.91	1.95	-1.94	4.86	1.50	372150.06	558610.86	N 32 1 22.85 W 104 8 39.18	
	800.00	4.50	111.70	799.69	4.39	-4.35	10.94	1.50	372147.65	558616.94	N 32 1 22.83 W 104 8 39.11	
	900.00	6.00	111.70	899.27	7.79	-7.74	19.44	1.50	372144.26	558625.44	N 32 1 22.79 W 104 8 39.01	
	1000.00	7.50	111.70	998.57	12.17	-12.08	30.36	1.50	372139.92	558636.36	N 32 1 22.75 W 104 8 38.88	
	1100.00	9.00	111.70	1097.54	17.52	-17.39	43.69	1.50	372134.61	558649.69	N 32 1 22.70 W 104 8 38.73	
	1200.00	10.50	111.70	1196.09	23.83	-23.65	59.43	1.50	372128.35	558665.42	N 32 1 22.63 W 104 8 38.54	
	1300.00	12.00	111.70	1294.16	31.09	-30.86	77.55	1.50	372121.14	558683.55	N 32 1 22.56 W 104 8 38.33	
	1326.02	12.39	111.70	1319.60	33.14	-32.90	82.66	1.50	372119.11	558688.65	N 32 1 22.54 W 104 8 38.27	
	1400.00	12.39	111.70	1391.85	39.05	-38.77	97.41	0.00	372113.24	558703.40	N 32 1 22.48 W 104 8 38.10	
	1500.00	12.39	111.70	1489.52	47.05	-46.70	117.35	0.00	372105.30	558723.34	N 32 1 22.40 W 104 8 37.87	
	1600.00	12.39	111.70	1587.20	55.04	-54.63	137.28	0.00	372097.37	558743.27	N 32 1 22.33 W 104 8 37.64	
	1700.00	12.39	111.70	1684.87	63.03	-62.57	157.22	0.00	372089.44	558763.21	N 32 1 22.25 W 104 8 37.41	
	1800.00	12.39	111.70	1782.54	71.03	-70.50	177.16	0.00	372081.51	558783.14	N 32 1 22.17 W 104 8 37.18	
Hold	1900.00	12.39	111.70	1880.21	79.02	-78.43	197.09	0.00	372073.57	558803.07	N 32 1 22.09 W 104 8 36.95	
	2000.00	12.39	111.70	1977.88	87.01	-86.37	217.03	0.00	372065.64	558823.01	N 32 1 22.01 W 104 8 36.71	
	2100.00	12.39	111.70	2075.55	95.01	-94.30	236.96	0.00	372057.71	558842.94	N 32 1 21.93 W 104 8 36.48	
	2200.00	12.39	111.70	2173.22	103.00	-102.24	256.90	0.00	372049.77	558862.88	N 32 1 21.85 W 104 8 36.25	
	2202.10	12.39	111.70	2175.27	103.17	-102.40	257.32	0.00	372049.61	558863.30	N 32 1 21.85 W 104 8 36.25	
	2222.56	12.39	111.70	2195.26	104.80	-104.03	261.40	0.00	372047.98	558867.38	N 32 1 21.83 W 104 8 36.20	
	2300.00	12.39	111.70	2270.89	110.99	-110.17	276.84	0.00	372041.84	558882.81	N 32 1 21.77 W 104 8 36.02	
	2400.00	12.39	111.70	2368.56	118.98	-118.10	296.77	0.00	372033.91	558902.75	N 32 1 21.69 W 104 8 35.79	
	2500.00	12.39	111.70	2466.23	126.98	-126.04	316.71	0.00	372025.97	558922.68	N 32 1 21.62 W 104 8 35.56	
	2600.00	12.39	111.70	2563.90	134.97	-133.97	336.65	0.00	372018.04	558942.62	N 32 1 21.54 W 104 8 35.33	
	2700.00	12.39	111.70	2661.58	142.96	-141.91	356.58	0.00	372010.11	558962.55	N 32 1 21.46 W 104 8 35.09	
	2800.00	12.39	111.70	2759.25	150.96	-149.84	376.52	0.00	372002.17	558982.49	N 32 1 21.38 W 104 8 34.86	
	2900.00	12.39	111.70	2856.92	158.95	-157.77	396.46	0.00	371994.24	559002.42	N 32 1 21.30 W 104 8 34.63	
	3000.00	12.39	111.70	2954.59	166.94	-165.71	416.39	0.00	371986.31	559022.35	N 32 1 21.22 W 104 8 34.40	
	3100.00	12.39	111.70	3052.26	174.93	-173.64	436.33	0.00	371978.37	559042.29	N 32 1 21.14 W 104 8 34.17	
Cherry Canyon (CRCN)	3115.83	12.39	111.70	3067.72	176.20	-174.90	439.48	0.00	371977.12	559045.44	N 32 1 21.13 W 104 8 34.13	
	3200.00	12.39	111.70	3149.93	182.93	-181.57	456.26	0.00	371970.44	559062.22	N 32 1 21.06 W 104 8 33.94	
	3300.00	12.39	111.70	3247.60	190.92	-189.51	476.20	0.00	371962.51	559082.16	N 32 1 20.99 W 104 8 33.71	
	3400.00	12.39	111.70	3345.27	198.91	-197.44	496.14	0.00	371954.57	559102.09	N 32 1 20.91 W 104 8 33.47	
	3500.00	12.39	111.70	3442.94	206.91	-205.38	516.07	0.00	371946.64	559122.03	N 32 1 20.83 W 104 8 33.24	
	3600.00	12.39	111.70	3540.61	214.90	-213.31	536.01	0.00	371938.71	559141.96	N 32 1 20.75 W 104 8 33.01	
	3700.00	12.39	111.70	3638.28	222.89	-221.24	555.95	0.00	371930.78	559161.90	N 32 1 20.67 W 104 8 32.78	
	3800.00	12.39	111.70	3735.95	230.89	-229.18	575.88	0.00	371922.84	559181.83	N 32 1 20.59 W 104 8 32.55	
	3900.00	12.39	111.70	3833.63	238.88	-237.11	595.82	0.00	371914.91	559201.77	N 32 1 20.51 W 104 8 32.32	
	4000.00	12.39	111.70	3931.30	246.87	-245.05	615.75	0.00	371906.98	559221.70	N 32 1 20.43 W 104 8 32.09	
	4100.00	12.39	111.70	4028.97	254.86	-252.98	635.69	0.00	371899.04	559241.63	N 32 1 20.35 W 104 8 31.85	
	4200.00	12.39	111.70	4126.64	262.86	-260.91	655.63	0.00	371891.11	559261.57	N 32 1 20.28 W 104 8 31.62	
	4300.00	12.39	111.70	4224.31	270.85	-268.85	675.56	0.00	371883.18	559281.50	N 32 1 20.20 W 104 8 31.39	
	4400.00	12.39	111.70	4321.98	278.84	-276.78	695.50	0.00	371875.24	559301.44	N 32 1 20.12 W 104 8 31.16	
	Brushy Canyon (BCN)	4405.22	12.39	111.70	4327.08	279.26	-277.20	696.54	0.00	371874.83	559302.48	N 32 1 20.11 W 104 8 31.15
	4500.00	12.39	111.70	4419.65	286.84	-284.72	715.44	0.00	371867.31	559321.37	N 32 1 20.04 W 104 8 30.93	
	4600.00	12.39	111.70	4517.32	294.83	-292.65	735.37	0.00	371859.38	559341.31	N 32 1 19.96 W 104 8 30.70	
	4700.00	12.39	111.70	4614.99	302.82	-300.58	755.31	0.00	371851.44	559361.24	N 32 1 19.88 W 104 8 30.47	
	4800.00	12.39	111.70	4712.66	310.82	-308.52	775.25	0.00	371843.51	559381.18	N 32 1 19.80 W 104 8 30.23	
	4900.00	12.39	111.70	4810.33	318.81	-316.45	795.18	0.00	371835.58	559401.11	N 32 1 19.72 W 104 8 30.00	
	5000.00	12.39	111.70	4908.00	326.80	-324.38	815.12	0.00	371827.64	559421.05	N 32 1 19.64 W 104 8 29.77	
	5100.00	12.39	111.70	5005.68	334.79	-332.32	835.05	0.00	371819.71	559440.98	N 32 1 19.57 W 104 8 29.54	
	5200.00	12.39	111.70	5103.35	342.79	-340.25	854.99	0.00	371811.78	559460.91	N 32 1 19.49 W 104 8 29.31	
	5300.00	12.39	111.70	5201.02	350.78	-348.19	874.93	0.00	371803.85	559480.85	N 32 1 19.41 W 104 8 29.08	
	5400.00	12.39	111.70	5298.69	358.77	-356.12	894.86	0.00	371795.91	559500.78	N 32 1 19.33 W 104 8 28.85	
	5500.00	12.39	111.70	5396.36	366.77	-364.05	914.80	0.00	371787.98	559520.72	N 32 1 19.25 W 104 8 28.62	
	5600.00	12.39	111.70	5494.03	374.76	-371.99	934.74	0.00	371780.05	559540.65	N 32 1 19.17 W 104 8 28.38	
	5700.00	12.39	111.70	5591.70	382.75	-379.92	954.67	0.00	371772.11	559560.59	N 32 1 19.09 W 104 8 28.15	
	5800.00	12.39	111.70	5689.37	390.75	-387.86	974.61	0.00	371764.18	559580.52	N 32 1 19.01 W 104 8 27.92	
	5900.00	12.39	111.70	5787.04	398.74	-395.79	994.54	0.00	371756.25	559600.46	N 32 1 18.93 W 104 8 27.69	
6000.00	12.39	111.70	5884.71	406.73	-403.72	1014.48	0.00	371748.31	559620.39	N 32 1 18.86 W 104 8 27.46		
Bone Spring Lime (BSGL)	6021.54	12.39	111.70	5905.75	408.45	-405.43	1018.77	0.00	371746.60	559624.68	N 32 1 18.84 W 104 8 27.41	
Avalon Upper (AVU)	6100.00	12.39	111.70	5982.38	414.72	-411.66	1034.42	0.00	371740.38	559640.33	N 32 1 18.78 W 104 8 27.23	
	6163.62	12.39	111.70	6044.52	419.81	-416.70	1047.10	0.00	371735.33	559653.01	N 32 1 18.73 W 104 8 27.08	
	6200.00	12.39	111.70	6080.06	422.72	-419.59	1054.35	0.00	371732.45	559660.26	N 32 1 18.70 W 104 8 27.00	
	6300.00	12.39	111.70	6177.73	430.71	-427.52	1074.29	0.00	371724.51	559680.19	N 32 1 18.62 W 104 8 26.76	
	6400.00	12.39	111.70	6275.40	438.70	-435.46	1094.23	0.00	371716.58	559700.13	N 32 1 18.54 W 104 8 26.53	
6500.00	12.39	111.70	6373.07	446.70	-443.39	1114.16	0.00	371708.65	559720			

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 ° ' ")
First Bone Spring Lower (FBL)	7130.00	12.39	111.70	6988.39	497.05	-493.38	1239.76	0.00	371658.67	559845.65	N 32 1 17.96 W 104 8 24.84	
	7200.00	12.39	111.70	7056.76	502.65	-498.93	1253.72	0.00	371653.12	559859.61	N 32 1 17.91 W 104 8 24.68	
Build/Turn 10°/100ft	7224.01	12.39	111.70	7080.21	504.57	-500.83	1258.50	0.00	371651.21	559864.39	N 32 1 17.89 W 104 8 24.63	
	7300.00	16.72	137.03	7153.82	515.64	-511.86	1273.55	10.00	371640.18	559879.44	N 32 1 17.78 W 104 8 24.45	
	7400.00	24.87	153.69	7247.31	545.14	-541.31	1292.72	10.00	371610.74	559898.61	N 32 1 17.49 W 104 8 24.23	
	7500.00	33.99	162.17	7334.35	590.77	-586.88	1310.65	10.00	371565.17	559916.53	N 32 1 17.04 W 104 8 24.02	
Second Bone Spring Upper (SBU)	7505.76	34.52	162.53	7339.11	593.86	-589.97	1311.63	10.00	371562.08	559917.52	N 32 1 17.01 W 104 8 24.01	
	7600.00	43.45	167.34	7412.30	651.13	-647.20	1326.79	10.00	371504.86	559932.67	N 32 1 16.44 W 104 8 23.84	
	7700.00	53.09	170.96	7478.80	724.39	-720.42	1340.64	10.00	371431.65	559946.52	N 32 1 15.72 W 104 8 23.68	
	7800.00	62.80	173.75	7531.81	808.33	-804.32	1351.79	10.00	371347.75	559957.67	N 32 1 14.89 W 104 8 23.55	
	7900.00	72.57	176.09	7569.74	900.38	-896.35	1359.90	10.00	371255.73	559965.78	N 32 1 13.97 W 104 8 23.46	
	8000.00	82.36	178.19	7591.43	997.77	-993.72	1364.73	10.00	371158.36	559970.61	N 32 1 13.01 W 104 8 23.40	
SBUT1_TGT1	8073.74	89.58	179.68	7596.61	1071.26	-1067.21	1366.09	10.00	371084.88	559971.97	N 32 1 12.28 W 104 8 23.39	
FTP Cross	8080.52	90.24	179.81	7596.62	1078.05	-1074.00	1366.12	10.00	371078.10	559972.00	N 32 1 12.22 W 104 8 23.39	
Landing Point	8080.62	90.25	179.81	7596.62	1078.14	-1074.10	1366.12	10.00	371078.00	559972.00	N 32 1 12.22 W 104 8 23.39	
SBUT1_TGT1	8082.87	90.25	179.81	7596.61	1080.40	-1076.35	1366.13	0.00	371075.74	559972.01	N 32 1 12.19 W 104 8 23.39	
	8100.00	90.25	179.81	7596.53	1097.53	-1093.48	1366.18	0.00	371058.62	559972.06	N 32 1 12.02 W 104 8 23.39	
	8200.00	90.25	179.81	7596.09	1197.53	-1193.48	1366.51	0.00	370958.63	559972.39	N 32 1 11.03 W 104 8 23.39	
	8300.00	90.25	179.81	7595.65	1297.52	-1293.47	1366.84	0.00	370858.64	559972.71	N 32 1 10.04 W 104 8 23.38	
	8400.00	90.25	179.81	7595.21	1397.52	-1393.47	1367.16	0.00	370758.65	559973.04	N 32 1 9.06 W 104 8 23.38	
	8500.00	90.25	179.81	7594.76	1497.52	-1493.47	1367.49	0.00	370658.66	559973.37	N 32 1 8.07 W 104 8 23.38	
	8600.00	90.25	179.81	7594.32	1597.52	-1593.47	1367.81	0.00	370558.67	559973.69	N 32 1 7.08 W 104 8 23.38	
	8700.00	90.25	179.81	7593.88	1697.52	-1693.47	1368.14	0.00	370458.68	559974.02	N 32 1 6.09 W 104 8 23.38	
	8800.00	90.25	179.81	7593.43	1797.52	-1793.47	1368.47	0.00	370358.69	559974.34	N 32 1 5.10 W 104 8 23.38	
	8900.00	90.25	179.81	7592.99	1897.52	-1893.47	1368.79	0.00	370258.70	559974.67	N 32 1 4.11 W 104 8 23.37	
	9000.00	90.25	179.81	7592.55	1997.52	-1993.46	1369.12	0.00	370158.71	559974.99	N 32 1 3.12 W 104 8 23.37	
	9100.00	90.25	179.81	7592.10	2097.52	-2093.46	1369.44	0.00	370058.72	559975.32	N 32 1 2.13 W 104 8 23.37	
	9200.00	90.25	179.81	7591.66	2197.52	-2193.46	1369.77	0.00	369958.73	559975.65	N 32 1 1.14 W 104 8 23.37	
	9300.00	90.25	179.81	7591.22	2297.51	-2293.46	1370.09	0.00	369858.74	559975.97	N 32 1 0.15 W 104 8 23.37	
	9400.00	90.25	179.81	7590.77	2397.51	-2393.46	1370.42	0.00	369758.76	559976.30	N 32 0.90 W 104 8 23.37	
	9500.00	90.25	179.81	7590.33	2497.51	-2493.46	1370.75	0.00	369658.77	559976.62	N 32 0.58 W 104 8 23.36	
	9600.00	90.25	179.81	7589.89	2597.51	-2593.45	1371.07	0.00	369558.78	559976.95	N 32 0.57 W 104 8 23.36	
	9700.00	90.25	179.81	7589.45	2697.51	-2693.45	1371.40	0.00	369458.79	559977.28	N 32 0.56 W 104 8 23.36	
	9800.00	90.25	179.81	7589.00	2797.51	-2793.45	1371.72	0.00	369358.80	559977.60	N 32 0.55 W 104 8 23.36	
	9900.00	90.25	179.81	7588.56	2897.51	-2893.45	1372.05	0.00	369258.81	559977.93	N 32 0.54 W 104 8 23.36	
	10000.00	90.25	179.81	7588.12	2997.51	-2993.45	1372.37	0.00	369158.82	559978.25	N 32 0.53 W 104 8 23.36	
	10100.00	90.25	179.81	7587.67	3097.51	-3093.45	1372.70	0.00	369058.83	559978.58	N 32 0.52 W 104 8 23.35	
	10200.00	90.25	179.81	7587.23	3197.51	-3193.45	1373.03	0.00	368958.84	559978.90	N 32 0.51 W 104 8 23.35	
	10300.00	90.25	179.81	7586.79	3297.50	-3293.44	1373.35	0.00	368858.85	559979.23	N 32 0.50 W 104 8 23.35	
	10400.00	90.25	179.81	7586.34	3397.50	-3393.44	1373.68	0.00	368758.86	559979.56	N 32 0.49 W 104 8 23.35	
	10500.00	90.25	179.81	7585.90	3497.50	-3493.44	1374.00	0.00	368658.87	559979.88	N 32 0.48 W 104 8 23.35	
	10600.00	90.25	179.81	7585.46	3597.50	-3593.44	1374.33	0.00	368558.88	559980.21	N 32 0.47 W 104 8 23.34	
	10700.00	90.25	179.81	7585.02	3697.50	-3693.44	1374.66	0.00	368458.89	559980.53	N 32 0.46 W 104 8 23.34	
	10800.00	90.25	179.81	7584.57	3797.50	-3793.44	1374.98	0.00	368358.90	559980.86	N 32 0.45 W 104 8 23.34	
	10900.00	90.25	179.81	7584.13	3897.50	-3893.44	1375.31	0.00	368258.91	559981.18	N 32 0.44 W 104 8 23.34	
	11000.00	90.25	179.81	7583.69	3997.50	-3993.43	1375.63	0.00	368158.92	559981.51	N 32 0.43 W 104 8 23.34	
	11100.00	90.25	179.81	7583.24	4097.50	-4093.43	1375.96	0.00	368058.93	559981.84	N 32 0.42 W 104 8 23.34	
	11200.00	90.25	179.81	7582.80	4197.50	-4193.43	1376.28	0.00	367958.94	559982.16	N 32 0.41 W 104 8 23.33	
	11300.00	90.25	179.81	7582.36	4297.49	-4293.43	1376.61	0.00	367858.95	559982.49	N 32 0.40 W 104 8 23.33	
	11400.00	90.25	179.81	7581.91	4397.49	-4393.43	1376.94	0.00	367758.96	559982.81	N 32 0.39 W 104 8 23.33	
	11500.00	90.25	179.81	7581.47	4497.49	-4493.43	1377.26	0.00	367658.97	559983.14	N 32 0.38 W 104 8 23.33	
	11600.00	90.25	179.81	7581.03	4597.49	-4593.42	1377.59	0.00	367558.98	559983.46	N 32 0.37 W 104 8 23.33	
	11700.00	90.25	179.81	7580.58	4697.49	-4693.42	1377.91	0.00	367458.99	559983.79	N 32 0.36 W 104 8 23.33	
	11800.00	90.25	179.81	7580.14	4797.49	-4793.42	1378.24	0.00	367359.00	559984.12	N 32 0.35 W 104 8 23.32	
	11900.00	90.25	179.81	7579.70	4897.49	-4893.42	1378.56	0.00	367259.02	559984.44	N 32 0.34 W 104 8 23.32	
	12000.00	90.25	179.81	7579.26	4997.49	-4993.42	1378.89	0.00	367159.03	559984.77	N 32 0.33 W 104 8 23.32	
	12100.00	90.25	179.81	7578.81	5097.49	-5093.42	1379.22	0.00	367059.04	559985.09	N 32 0.32 W 104 8 23.32	
	12200.00	90.25	179.81	7578.37	5197.49	-5193.42	1379.54	0.00	366959.05	559985.42	N 32 0.31 W 104 8 23.32	
	12300.00	90.25	179.81	7577.93	5297.48	-5293.41	1379.87	0.00	366859.06	559985.75	N 32 0.30 W 104 8 23.32	
	12400.00	90.25	179.81	7577.48	5397.48	-5393.41	1380.19	0.00	366759.07	559986.07	N 32 0.29 W 104 8 23.31	
	12500.00	90.25	179.81	7577.04	5497.48	-5493.41	1380.52	0.00	366659.08	559986.40	N 32 0.28 W 104 8 23.31	
	12600.00	90.25	179.81	7576.60	5597.48	-5593.41	1380.85	0.00	366559.09	559986.72	N 32 0.27 W 104 8 23.31	
	12700.00	90.25	179.81	7576.15	5697.48	-5693.41	1381.17	0.00	366459.10	559987.05	N 32 0.26 W 104 8 23.31	
	12800.00	90.25	179.81	7575.71	5797.48	-5793.41	1381.50	0.00	366359.11	559987.37	N 32 0.25 W 104 8 23.31	
	12900.00	90.25	179.81	7575.27	5897.48	-5893.41	1381.82	0.00	366259.12	559987.70	N 32 0.24 W 104 8 23.31	
	13000.00	90.25	179.81	7574.83	5997.48	-5993.40	1382.15	0.00	366159.13	559988.03	N 32 0.23 W 104 8 23.30	
	13100.00	90.25	179.81	7574.38	6097.48	-6093.40	1382.47	0.00	366059.14	559988.35	N 32 0.22 W 104 8 23.30	
	13200.00	90.25	179.81	7573.94	6197.48	-6193.40	1382.80	0.00	365959.15	559988.68	N 32 0.21 W 104 8 23.30	
MP, Turn 2°/100ft	13299.16	90.25	179.81	7573.50	6296.64	-6292.56	1383.12	0.00	365859.00	559989.00	N 32 0.20 W 104 8 23.30	
	13300.00	90.25	179.83	7573.50	6297.48	-6293.40	1383.13	2.00	365859.16	559989.00	N 32 0.20 W 104 8 23.30	
Hold to TD	13301.64	90.25	179.86	7573.49	6299.12	-6295.04	1383.13	2.00	365857.52	559989.01	N 32 0.20 W 104 8 23.30	
	13400.00	90.25	179.86	7573.07	6397.47	-6393.40	1383.37	0.00	365759.17	559989.24	N 32 0.19 W 104 8 23.30	
	13500.00	90.25	179.86	7572.64	6497.47	-6493.40	1383.61	0.00	365659.18	559989.48	N 32 0.18 W 104 8 23.30	
	13600.00	90.25	179.86	7572.21	6597.47	-6593.40	1383.85	0.00	365559.19	559989.72	N 32 0.17 W 104 8 23.30	
	13700.00	90.25	179.86	7571.78	6697.47	-6693.39	1384.09	0.00	365459.20	559989.96	N 32 0.16 W 104 8 23.30	
	13800.00	90.25	179.86	7571.35	6797.47	-6793.39	1384.33	0.00				

H₂S Preparedness and Contingency Plan Summary

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:

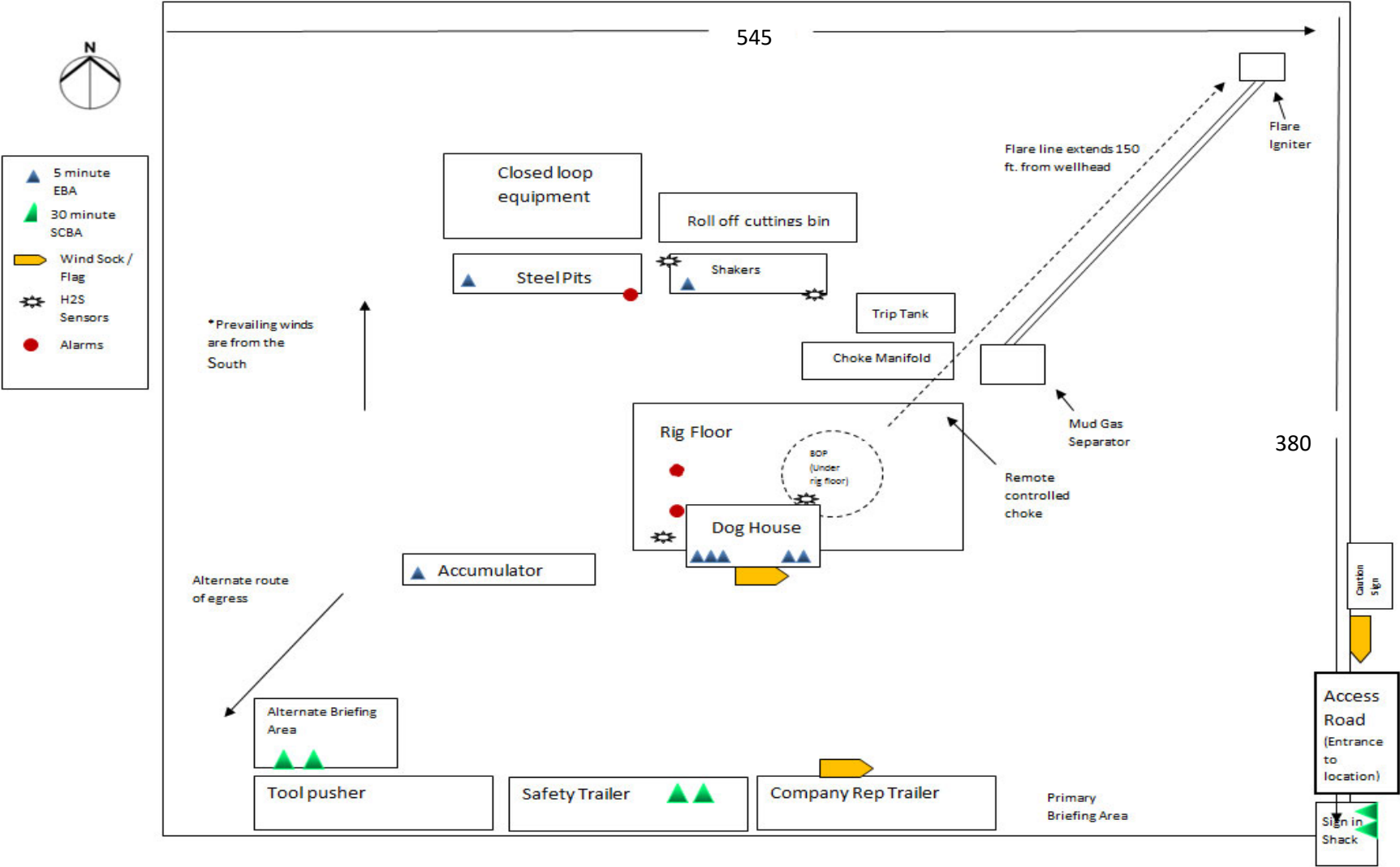
- 1. Use of a degasser
- 2. Use of a zinc based mud treatment
- 3. Increasing mud weight

Public Safety - Emergency Assistance

<u>Agency</u>	<u>Telephone Number</u>
Eddy County Sheriff's Department	575-887-7551
Carlsbad Fire Department	575-885-3125
Carlsbad Medical Center	575-887-4100
Eddy County Emergency Management	575-885-3581
Poison Control Center	800-222-1222



H₂S Preparedness and Contingency Plan Summary



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

Submit Electronically
Via E-permitting

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 / 11 / 22

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
BAILEYS 25 36 STATE COM P44 1H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2261' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D
BAILEYS 25 36 STATE COM P44 2H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2286' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D
BAILEYS 25 36 STATE COM P44 3H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2311' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D
BAILEYS 25 36 STATE COM P44 4H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2336' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D

IV. Central Delivery Point Name: Hayhurst NM CTB 25 [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
BAILEYS 25 36 STATE COM P44 1H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A
BAILEYS 25 36 STATE COM P44 2H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A
BAILEYS 25 36 STATE COM P44 3H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A
BAILEYS 25 36 STATE COM P44 4H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A

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>Carol Adler</i>
Printed Name: Carol Adler
Title: Sr. Regulatory Affairs Coordinator
E-mail Address: caroladler@chevron.com
Date: 8/3/2022
Phone: (432) 687-7148
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.