

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: ☒ DRILL ☐ REENTER 1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other 1c. Type of Completion: ☐ Hydraulic Fracturing ☒ Single Zone ☐ Multiple Zone		5. Lease Serial No. NMNM111964 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. MR 1 FEDERAL 507H
2. Name of Operator CHEVRON USA INCORPORATED		9. API Well No. 30-025-55516
3a. Address PO BOX 1392, BAKERSFIELD, CA 93302	3b. Phone No. (include area code) (661) 633-4000	10. Field and Pool, or Exploratory TRIPLE X/BONE SPRING, WEST
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW / 629 FNL / 2572 FWL / LAT 32.252216 / LONG -103.62854 At proposed prod. zone SWSW / 25 FSL / 1170 FWL / LAT 32.239522 / LONG -103.633031		11. Sec., T. R. M. or Blk. and Survey or Area SEC 1/T24S/R32E/NMP
14. Distance in miles and direction from nearest town or post office* 33 miles		12. County or Parish LEA
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 629 feet		16. No of acres in lease 17. Spacing Unit dedicated to this well 320.0 319.13
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 952 feet		19. Proposed Depth 12180 feet / 17290 feet
20. BLM/BIA Bond No. in file FED: ES0022		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3640 feet
22. Approximate date work will start* 04/14/2026		23. Estimated duration 21 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) Title Sr. Permitting Coordinator	Name (Printed/Typed) JENNIFER SMITH / Ph: (432) 687-7866	Date 10/24/2024
Approved by (Signature) (Electronic Submission) Title Assistant Field Manager Lands & Minerals	Name (Printed/Typed) CODY LAYTON / Ph: (575) 234-5959	Date 05/29/2025
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)



Santa Fe Main Office

Phone: (505) 476-3441 Fax: (55) 476-3462

General Information

Phone: (505) 629-6116

Online Phone Directory Visit:

<https://www.emnrd.nm.gov/ocd/contact-us/>State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION

C-102

Revised July 9, 2024

Submit Electronically
via OCD PermittingSubmittal
Type:

- ☒
- Initial Submittal
-
- ☐
- Amended Report
-
- ☐
- As Drilled

WELL LOCATION INFORMATION

API Number PENDING 30-025-55516	Pool Code 96674	Pool Name TRIPLE X;BONE SPRING, WEST
Property Code PENDING 338167	Property Name MR 1 FEDERAL	Well Number 507H
OGRID No. 4323	Operator Name CHEVRON U.S.A. INC.	Ground Level Elevation 3640'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL C	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 629' NORTH	Ft. from E/W 2572' WEST	Latitude 32.252216° N	Longitude 103.628540° W	County LEA
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Bottom Hole Location

UL M	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 1170' WEST	Latitude 32.239522° N	Longitude 103.633031° W	County LEA
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Dedicated Acres 320 319.3	Infill or Defining Well DEFINING	Defining Well API PENDING MR 1 FEDERAL 507H	Overlapping Spacing Unit (Y/N) No	Consolidation Code N/A
Order Numbers - PENDING			Well setbacks are under Common Ownership: ☐ Yes ☐ No ☒ N/A	

Kick Off Point (KOP)

UL D	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 1170' WEST	Latitude 32.253655° N	Longitude 103.633080° W	County LEA
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First Take Point (FTP)

UL D	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 1170' WEST	Latitude 32.253655° N	Longitude 103.633080° W	County LEA
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Last Take Point (LTP)

UL M	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 1170' WEST	Latitude 32.239729° N	Longitude 103.633032° W	County LEA
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Unitized Area or Area of Uniform Interest PENDING	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3640'
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OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Jennifer Smith 10/21/2024
Signature Date

JENNIFER SMITH

Printed Name

JHIO@CHEVRON.COM

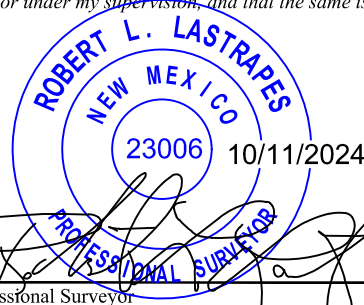
Email Address

SURVEYOR CERTIFICATIONS

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.

See Sheet 2 of 2 for plat.

Signature and Seal of Professional Surveyor

Certificate Number
Date of Survey
04/11/2024

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

See Sheet 1 of 2 for notes & certification.

**MR 1 FEDERAL
NO. 507H WELL**

X = 718,033.38' (NAD27 NM E)
Y = 456,146.03'
LAT. 32.252094° N (NAD27)
LONG. 103.628059° W
X = 759,217.15' (NAD83/2011 NM E)
Y = 456,204.79'
LAT. 32.252216° N (NAD83/2011)
LONG. 103.628540° W

**PROPOSED FIRST
TAKE POINT/KOP**

X = 716,626.62' (NAD27 NM E)
Y = 456,660.01'
LAT. 32.253532° N (NAD27)
LONG. 103.632598° W
X = 757,810.37' (NAD83/2011 NM E)
Y = 456,718.79'
LAT. 32.253655° N (NAD83/2011)
LONG. 103.633080° W

**PROPOSED LAST
TAKE POINT**

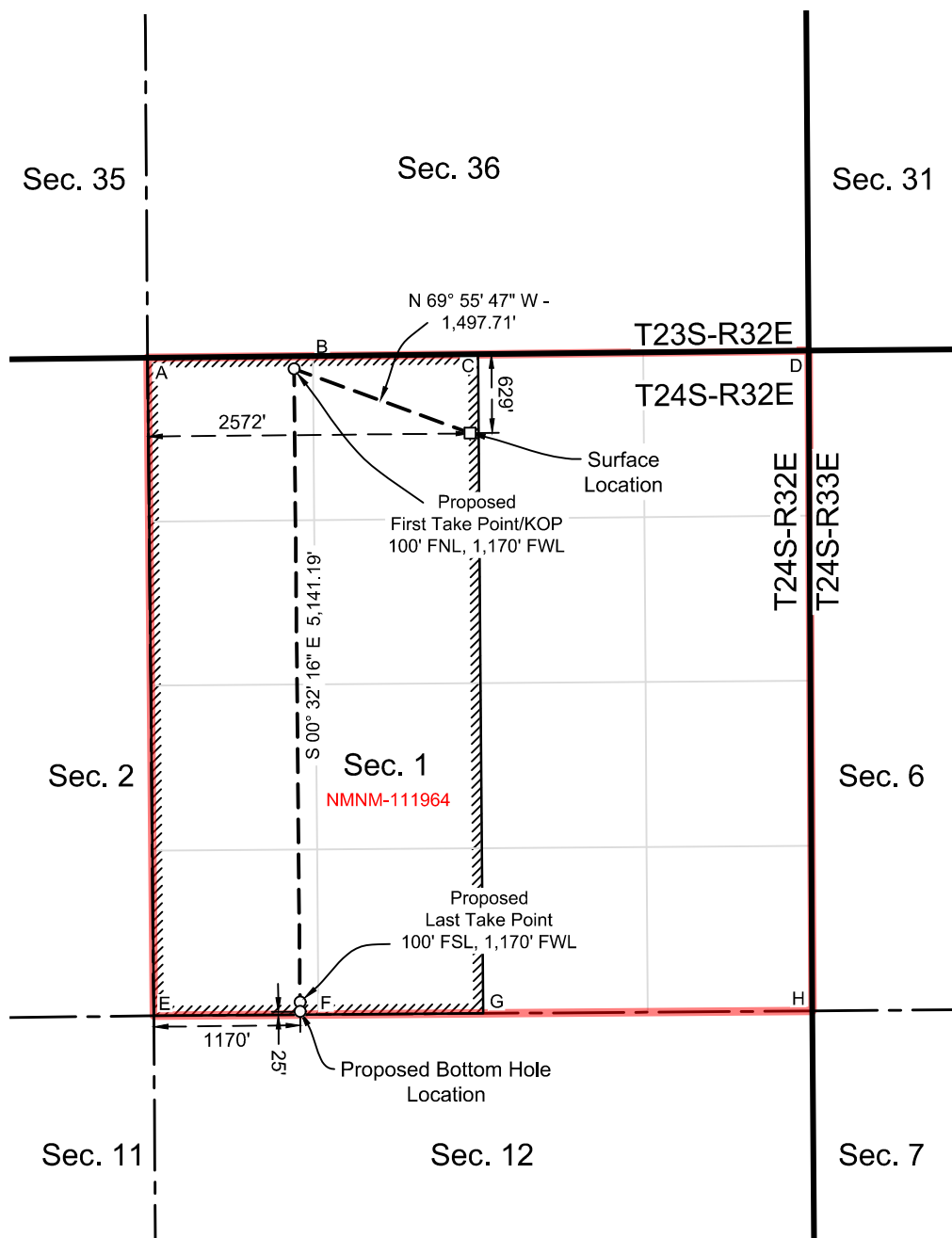
X = 716,674.17' (NAD27 NM E)
Y = 451,594.04'
LAT. 32.239606° N (NAD27)
LONG. 103.632552° W
X = 757,858.13' (NAD83/2011 NM E)
Y = 451,652.71'
LAT. 32.239729° N (NAD83/2011)
LONG. 103.633032° W

**PROPOSED BOTTOM
HOLE LOCATION**

X = 716,674.87' (NAD27 NM E)
Y = 451,519.05'
LAT. 32.239400° N (NAD27)
LONG. 103.632551° W
X = 757,858.84' (NAD83/2011 NM E)
Y = 451,577.71'
LAT. 32.239522° N (NAD83/2011)
LONG. 103.633031° W

**CORNER COORDINATES
TABLE (NAD 27)**

A - X= 715455.75,Y= 456747.36
B - X= 716776.82,Y= 456761.64
C - X= 718097.88,Y= 456775.92
D - X= 720739.66,Y= 456805.61
E - X= 715505.20,Y= 451485.43
F - X= 716821.47,Y= 451495.15
G - X= 718137.74,Y= 451504.88
H - X= 720770.23,Y= 451524.37



Waste Minimization Plan

1. NMOCD Gas Management Plan
2. Operational & Best Management Practices
3. Production Curves, *Enverus Prism*

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 INC **OGRID:** 4323 **Date:** 10 / 21 / 2024

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
MR 1 FEDERAL 507H	PENDING	C-1-24S-32E	629N-2572W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 508H	PENDING	C-1-24S-32E	629N-2592W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 509H	PENDING	C-1-24S-32E	629N-2612W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 510H	PENDING	C-1-24S-32E	629N-2632W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 612H	PENDING	C-1-24S-32E	499N-2492W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 613H	PENDING	C-1-24S-32E	499N-2512W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 614H	PENDING	C-1-24S-32E	499N-2532W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 615H	PENDING	C-1-24S-32E	499N-2552W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 616H	PENDING	C-1-24S-32E	499N-2572W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 617H	PENDING	C-1-24S-32E	499N-2592W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 618H	PENDING	C-1-24S-32E	499N-2612W	500 BBL/D	1470 MCF/D	980 BBL/D
MR 1 FEDERAL 619H	PENDING	C-1-24S-32E	499N-2632W	500 BBL/D	1470 MCF/D	980 BBL/D

IV. Central Delivery Point Name: Rustler Bluff CTB [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
MR 1 FEDERAL 507H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 508H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 509H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 510H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 612H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 613H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 614H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 615H	PENDING	05/01/2026	N/A	N/A	N/A	N/A

MR 1 FEDERAL 616H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 617H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 618H	PENDING	05/01/2026	N/A	N/A	N/A	N/A
MR 1 FEDERAL 619H	PENDING	05/01/2026	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>Jennifer Smith</i>
Printed Name: JENNIFER SMITH
Title: PERMITTING SPECIALIST
E-mail Address: JHIO@CHEVRON.COM
Date: 10/21/2024
Phone: 713-586-9825
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

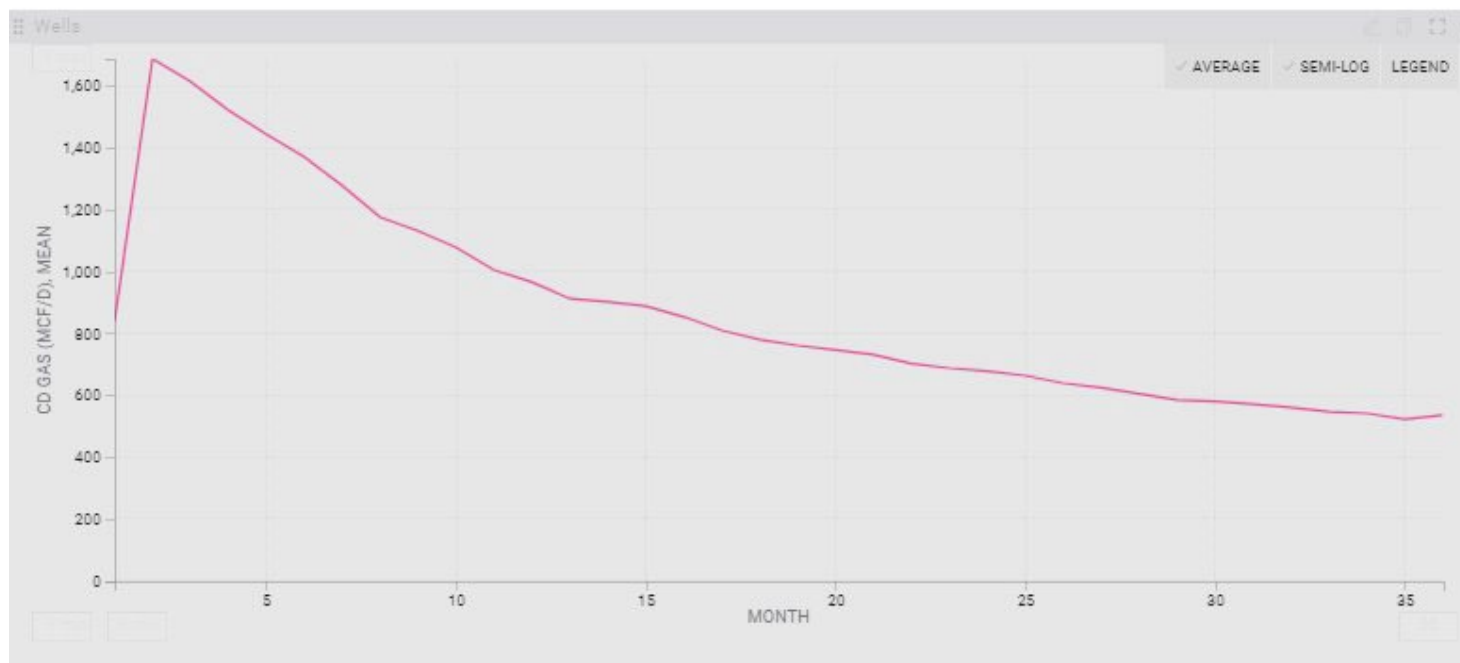
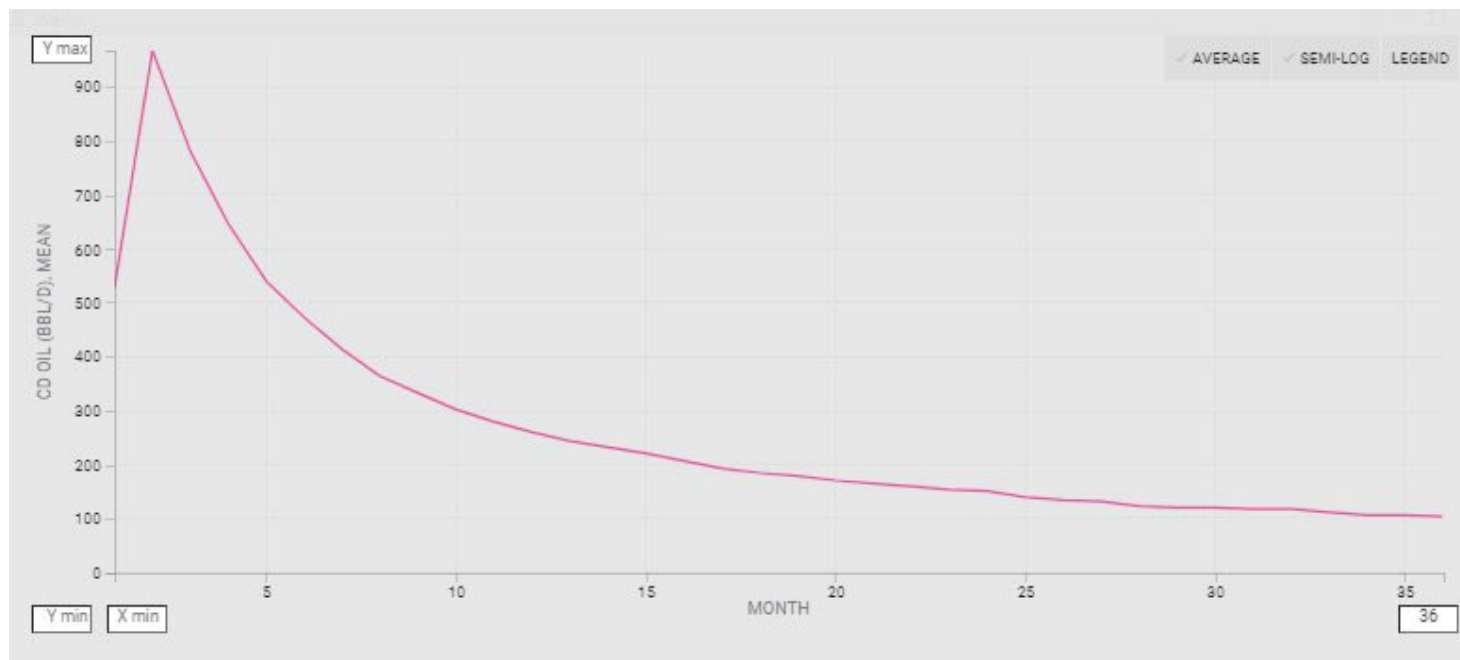
- Equipment installed at each facility is designed for maximum anticipated throughput and pressure to minimize waste. Tank pressure relief systems utilize a soft seated or metal seated PSVs, as appropriate, which are both designed to not leak.
- Flare stack has been designed for proper size and combustion 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.

Lea County NM Bone Spring Average Production per Well

- Data source: Publicly available from Enverus Prism (June 2024)
- Number of wells: N = 1,004
- Data Range: 2016+
- Production History: 36 months



Operator Name: CHEVRON USA INCORPORATED**Well Name:** MR 1 FEDERAL**Well Number:** 507H

completed prior to drilling the production lateral sections unless the BOP connection was not broken prior to drilling that hole section (example: drilling straight from production into production liner hole section). A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized. 2.00 Production Liner 2.72 Surface 1.81 1.73 Min SF Burst Min SF Collapse 12.83 13.67 2.17 Intermediate 2 2.28 Intermediate 1 Surface casing set below magenta dolomite and above top of salt (25 ft below los medianos) Chevron will keep casing fluid filled at all times and while RIH. Chevron will check casing at a minimum of every 20 jts (~840'), and never to surpass of casing, while running intermediate and production casing in order to maintain collapse SF. 1.51 1.35 Intermediate 1 Intermediate 2 2.79 d. Casing design depths subject to revision based on directional drilling and geologic conditions encountered. All casing strings will be new pipe. 4.71 Min SF Axial (Joint) Min SF Axial (Body) Surface Production Liner Production Liner† 1.83 2.79 Chevron respectfully 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.

Testing Procedure: The stack will be tested as specified in the attached testing requirements. Batch drilling of the surface, production, and production liner will take place. A full BOP test will be performed per hole section, unless approval from BLM is received otherwise (see variance request). Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test pressures and other documented tests may be recorded and documented via utilization of the IPT 'Suretec' Digital BOP Test Method in lieu of the standard test chart. In the event the IPT system is unavailable, the standard test chart will be used.

Choke Diagram Attachment:

BLM_10M_Choke_Manifold_Diagram_20241118142237.pdf

BLM_Choke_Hose_Test_Specs_and_Pressure_Test_2023_20241118142312.pdf

BOP Diagram Attachment:

1.03__WH__NM_Slim_Hole_DM100312151_20240416085713_20241022130418.pdf

MultiBowl_Wellhead_Specs_20240416085718_20241022130435.pdf

10M_BOPE__5M_Annular__and_Test_Plan_20241118142331.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1220	0	1220	3640	2420	1220	J-55	54.5	OTHER - BTC/STC	2	1.81	BUOY	13.67	BUOY	12.83
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	5241	0	5026	3640	-1386	5241	L-80	40	OTHER - BTC/LTC	1.35	1.83	BUOY	4.71	BUOY	4.56
3	INTERMEDIATE	8.75	7.0	NEW	API	N	0	11690	0	11464	3640	-7824	11690	P-110	29	OTHER - BLUE-SD	1.51	2.28	BUOY	2.79	BUOY	2.79
4	PRODUCTION	6.125	5.0	NEW	API	Y	11490	12140	11264	11864	-7624	-8224	650	P-110	18	OTHER - W513	1.02	2.17	BUOY	1.73	BUOY	2.72

Operator Name: CHEVRON USA INCORPORATED

Well Name: MR 1 FEDERAL

Well Number: 507H

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
5	PRODUCTI ON	6.125	4.5	NEW	API	N	12140	17290	11864	12180	-8224	-8540	5150	P-110	11.6	OTHER - W521	1.02	2.17	BUOY	1.73	BUOY	2.72

Casing Attachments

Casing ID: 1

String

SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

13.375in_BTC_54.5ppf_J55_20240415130623_20241022131009.pdf

Casing ID: 2

String

INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

9.625in_BTC_40ppf_L80_20240416085857_20241022131131.pdf

Operator Name: CHEVRON USA INCORPORATED

Well Name: MR 1 FEDERAL

Well Number: 507H

Casing Attachments

Casing ID: 3	String	INTERMEDIATE
Inspection Document:		
Spec Document:		
Tapered String Spec:		
Casing Design Assumptions and Worksheet(s):		
7in_Blue_SD_29ppf_P110_20240416085928_20241022131244.pdf		
Casing ID: 4	String	PRODUCTION
Inspection Document:		
Spec Document:		
Tapered String Spec:		
5in_18ppf_TSH_W513_box_x_4.5in_11.6ppf_TSH_W521_pin__Stewart_Tubular_May_13__2021__20240423094458_20241022131402.pdf		
Casing Design Assumptions and Worksheet(s):		
5in_Wedge_513_18ppf_P110_20240423090646_20241022131900.pdf		
Casing ID: 5	String	PRODUCTION
Inspection Document:		
Spec Document:		
Tapered String Spec:		
Casing Design Assumptions and Worksheet(s):		
4.5in_Wedge_521_11.6ppf_P110_20240415132555_20241022132014.pdf		

Section 4 - Cement

Operator Name: CHEVRON USA INCORPORATED**Well Name:** MR 1 FEDERAL**Well Number:** 507H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	0	0	0	0	0		N/A	N/A
SURFACE	Tail		0	1220	650	1.63	13.6	1059	25	CLASS C	Extender, Antifoam, Retarder, Viscosifier
INTERMEDIATE	Lead		0	4241	758	2.29	11.5	1736	25	CLASS C	Extender, Antifoam, Retarder, Viscosifier
INTERMEDIATE	Tail		4241	5241	263	1.63	12.6	429	25	CLASS C	Extender, Antifoam, Retarder, Viscosifier
INTERMEDIATE	Lead		0	1069 0	527	3.52	10.5	1855	25	CLASS C	Extender, Antifoam, Retarder, Viscosifier
INTERMEDIATE	Tail		1069 0	1169 0	124	1.52	12.6	188	25	CLASS C	Extender, Antifoam, Retarder, Viscosifier
PRODUCTION	Lead		1149 0	1729 0	449	1.52	12.6	683	25	CLASS H	Extender, Antifoam, Retarder, Viscosifier

PRODUCTION	Lead		1149 0	1729 0	449	1.52	12.6	683	25	CLASS H	Extender, Antifoam, Retarder, Viscosifier
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Section 5 - Circulating Medium

Mud System Type: Closed**Will an air or gas system be Used?** NO**Description of the equipment for the circulating system in accordance with 43 CFR 3172:****Diagram of the equipment for the circulating system in accordance with 43 CFR 3172:**

Describe what will be on location to control well or mitigate other conditions: A weighting agent and lost circulating material (LCM) will be onsite to mitigate pressure or lost circulation as hole conditions dictate. If an open reserve pit is not approved by OCD, a closed system will be used consisting of above ground steel tanks and 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. If an open reserve pit is in place, pit construction, operation, and closure will follow all applicable rules and regulation. 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.

Describe the mud monitoring system utilized: 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.

Operator Name: CHEVRON USA INCORPORATED**Well Name:** MR 1 FEDERAL**Well Number:** 507H

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1220	SPUD MUD	8.3	8.9							
1220	5241	OTHER : BRINE	8.3	10							Saturated brine would be used through salt sections.
5241	1169 0	WATER-BASED MUD	8.3	9.5							
1169 0	1729 0	OIL-BASED MUD	9.3	12							Due to wellbore instability in the lateral, may exceed the MW window needed to maintain overburden stresses.

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Production tests are not planned.

Logs run include: Gamma Ray Log, Directional Survey

List of open and cased hole logs run in the well:

GAMMA RAY LOG,DIRECTIONAL SURVEY,

Coring operation description for the well:

Coring Operations are not planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7600

Anticipated Surface Pressure: 4920

Anticipated Bottom Hole Temperature(F): 212

Anticipated abnormal pressures, temperatures, or potential geologic hazards? YES

Describe:

N/A - Pressure ramp begins in the bottom of the Third Bone Spring formation

Contingency Plans geohazards description:

- Casing design accounts for pressure ramp
 - Mud weighting agents available on location to increase drilling fluid density
 - BOP, choke, and well control drills
 - BOP functioned and pressure tested
- Contingency Plans geohazards**

Operator Name: CHEVRON USA INCORPORATED**Well Name:** MR 1 FEDERAL**Well Number:** 507H**Hydrogen Sulfide drilling operations plan required?** YES**Hydrogen sulfide drilling operations**

Chevron_Standard_H2S_Contingency_Plan_2022_20240416090605_20241022134916.pdf

Section 8 - Other Information**Proposed horizontal/directional/multi-lateral plan submission:**

DefPlan100ft_MRFederalNo.507H_R0_20241022134949.pdf

MR_1_FEDERAL_507H__9_Point_Plan_11July24_20241022134957.pdf

Other proposed operations facets description:

Batch drilling will be employed whereby the drilling rig may drill a specific hole section on all wells prior to moving to the next hole section.

Shallow rig may be utilized to drill surface or intermediate sections. The production section will not be drilled by the shallow rig.

Wait on cement duration for surface and intermediate string(s) will be based on time for tail slurry to develop 500 psi compressive strength and will follow rules as laid out in Onshore Order 2

Other proposed operations facets attachment:

5_well_rig_layout_20240416090727_20241022135046.pdf

CUSA_Spudder_Rig_Data_20240416090735_20241022135054.pdf

Operational_Best_Management_Practices_20240416090804_20241022135107.pdf

MRP612_NGMP_20241022135120.pdf

Waste_Minimization_Plan__MR_PAD_612__BONESPRING_20241024131245.pdf

Other Variance request(s)?: N**Other Variance attachment:**



MR Federal No. 507H R0 mdv 10Jul24 Proposal Geodetic Report



Def Plan

Report Date:	July 11, 2024 - 06:34 PM (UTC 0)	Survey / DLS Computation:	Minimum Curvature / Lubinski
Client:	Chevron	Vertical Section Azimuth:	179.460 ("GRID North)
Field:	NM, Lea County (NAD 27 EZ)	Vertical Section Origin:	0.000 ft, 0.000 ft
Structure / Slot:	Chevron MR Pad 612 / 507H	TVD Reference Datum:	RKB
Well:	MR Federal No. 507H	TVD Reference Elevation:	3668.000 ft above MSL
Borehole:	MR Federal No. 507H	Seabed / Ground Elevation:	3640.000 ft above MSL
UBH / API#:	Unknown / Unknown	Magnetic Declination:	6.180°
Survey Name:	MR Federal No. 507H R0 mdv 10Jul24	Total Gravity Field Strength:	998.4378mgn (9.80665 Based)
Survey Date:	July 11, 2024	Gravity Model:	GARM
Tort / AHD / DDI / ERD Ratio:	129.996 ° / 6707.694 ft / 6.093 / 0.551	Total Magnetic Field Strength:	47334.413 nT
Coordinate Reference System:	NAD27 New Mexico State Plane, Eastern Zone, US Feet	Magnetic Dip Angle:	59.782°
Location Lat / Long:	32°15'53.754"N, 103°37'41.01266"W	Declination Date:	July 10, 2024
Location Grid NE YK:	N 456146 030 RUS, E 718033.380 RUS	HDGM 2024	
CRS Grid Convergence Angle:	0.376°	Grid North	
Grid Scale Factor:	0.99993594(Applied)	North Convergence Used:	0.376°
Version / Patch:	2024.3.0.6	Total Corr Map North-Grid North:	5.803"
		Local Coord Referenced To:	Well Head

Comments	MD (ft)	Incl (°)	Asim (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (°)	Longitude (°)
Surface	0.00	0.00	0.00	0.00	-3.668.00	0.00	0.00	0.00		456.146.03	718.033.38	32.25209376	-103.62805907
Build 1.5"/100ft	100.00	0.00	291.84	100.00	-3.568.00	0.00	0.00	0.00	0.00	456.146.03	718.033.38	32.25209376	-103.62805907
	200.00	0.00	291.84	200.00	-3.468.00	0.00	0.00	0.00	0.00	456.146.03	718.033.38	32.25209376	-103.62805907
	300.00	0.00	291.84	300.00	-3.368.00	0.00	0.00	0.00	0.00	456.146.03	718.033.38	32.25209376	-103.62805907
	400.00	0.00	291.84	400.00	-3.268.00	0.00	0.00	0.00	0.00	456.146.03	718.033.38	32.25209376	-103.62805907
	500.00	1.50	291.84	499.99	-3.168.01	-0.50	0.49	-1.22	1.50	456.146.52	718.032.17	32.25209512	-103.62806299
	600.00	3.00	291.84	599.91	-3.068.09	-1.99	1.95	-4.86	1.50	456.147.98	718.028.52	32.25209920	-103.62807475
	700.00	4.50	291.84	699.69	-2.968.31	-4.48	4.38	-10.93	1.50	456.150.41	718.022.45	32.25210600	-103.62809433
	800.00	6.00	291.84	799.27	-2.868.73	-7.97	7.78	-19.42	1.50	456.153.81	718.013.96	32.25211550	-103.62812173
	900.00	7.50	291.84	898.57	-2.769.43	-12.44	12.15	-30.33	1.50	456.158.18	718.003.05	32.25212772	-103.62815093
	1,000.00	9.00	291.84	997.54	-2.670.46	-17.90	17.49	-43.65	1.50	456.163.52	717.999.73	32.25214263	-103.62819989
Rustler (RSLR)	1,100.00	10.50	291.84	1,096.09	-2.571.91	-24.37	23.79	-59.37	1.50	456.169.82	717.994.01	32.25216023	-103.62825060
	1,200.00	12.00	291.84	1,194.16	-2.473.84	-31.78	31.05	-77.48	1.50	456.177.08	717.955.90	32.25218950	-103.62830902
	1,230.35	12.46	291.84	1,223.83	-2.444.17	-34.22	33.44	-83.45	1.50	456.179.47	717.949.93	32.25218718	-103.62832827
	1,300.00	13.50	291.84	1,291.70	-2.376.30	-40.18	39.26	-97.97	1.50	456.185.28	717.935.42	32.25220343	-103.62837510
	1,400.00	15.00	291.84	1,388.62	-2.279.38	-49.55	48.41	-120.82	1.50	456.194.44	717.912.57	32.25222901	-103.62844881
	1,500.00	16.50	291.84	1,484.86	-2.183.14	-59.88	58.51	-146.01	1.50	456.204.54	717.887.37	32.25225721	-103.62853009
	1,600.00	18.00	291.84	1,580.36	-2.087.64	-71.17	69.54	-173.54	1.50	456.215.56	717.859.85	32.25228803	-103.62861888
	1,674.37	19.12	291.84	1,650.86	-2.017.14	-80.18	78.34	-195.37	1.50	456.224.37	717.837.88	32.25231262	-103.62868975
	1,700.00	19.50	291.84	1,675.05	-1.992.95	-83.41	81.49	-203.37	1.50	456.227.52	717.830.01	32.25232143	-103.62871513
	1,733.21	20.00	291.84	1,706.30	-1.961.70	-87.68	85.67	-213.79	1.50	456.231.69	717.819.60	32.25233309	-103.62874873
Saldo (SLOD)	1,800.00	20.00	291.84	1,769.07	-1.898.93	-96.37	94.16	-234.99	0.00	456.240.19	717.798.40	32.25235683	-103.62881731
	1,900.00	20.00	291.84	1,863.04	-1.804.96	-109.39	106.88	-266.74	0.00	456.252.91	717.766.65	32.25239236	-103.62891953
	2,000.00	20.00	291.84	1,957.01	-1.710.99	-122.41	119.60	-298.48	0.00	456.265.63	717.734.91	32.25242790	-103.62902194
	2,100.00	20.00	291.84	2,050.98	-1.617.02	-135.43	132.32	-330.23	0.00	456.278.35	717.703.16	32.25246344	-103.62912435
	2,200.00	20.00	291.84	2,144.95	-1.523.05	-148.45	145.05	-361.97	0.00	456.291.07	717.671.42	32.25249897	-103.62922675
	2,300.00	20.00	291.84	2,238.92	-1.429.08	-161.47	157.77	-393.72	0.00	456.303.79	717.639.68	32.25253451	-103.62932916
	2,400.00	20.00	291.84	2,332.89	-1.335.11	-174.49	170.49	-425.46	0.00	456.316.51	717.607.93	32.25257005	-103.62943157
	2,500.00	20.00	291.84	2,426.86	-1.241.14	-187.51	183.21	-457.21	0.00	456.329.23	717.576.19	32.25260558	-103.62953397
	2,600.00	20.00	291.84	2,520.83	-1.147.17	-200.53	195.93	-488.95	0.00	456.341.95	717.544.44	32.25264112	-103.62963638
	2,700.00	20.00	291.84	2,614.80	-1.053.20	-213.55	208.65	-520.70	0.00	456.354.67	717.512.70	32.25267666	-103.62973879
Hold	2,800.00	20.00	291.84	2,708.77	-959.23	-226.57	221.37	-552.44	0.00	456.367.39	717.480.96	32.25271219	-103.62984119
	2,900.00	20.00	291.84	2,802.74	-865.26	-239.58	234.09	-584.19	0.00	456.380.11	717.449.21	32.25274773	-103.62994360
	3,000.00	20.00	291.84	2,896.71	-771.29	-252.60	246.81	-615.93	0.00	456.392.83	717.417.47	32.25278327	-103.63004601
	3,100.00	20.00	291.84	2,990.68	-677.32	-265.62	259.53	-647.68	0.00	456.405.55	717.385.72	32.25281880	-103.63014842
	3,200.00	20.00	291.84	3,084.65	-583.35	-278.64	272.25	-679.43	0.00	456.418.27	717.353.98	32.25285434	-103.63025082
	3,300.00	20.00	291.84	3,178.62	-489.38	-291.66	284.97	-711.17	0.00	456.430.99	717.322.24	32.25288987	-103.63035323
	3,400.00	20.00	291.84	3,272.59	-395.41	-304.68	297.69	-742.92	0.00	456.443.71	717.290.49	32.25292541	-103.63045564
	3,500.00	20.00	291.84	3,366.56	-301.44	-317.70	310.41	-774.66	0.00	456.456.43	717.258.75	32.25296095	-103.63055804
	3,525.22	20.00	291.84	3,390.26	-277.74	-320.98	313.62	-782.67	0.00	456.459.64	717.250.74	32.25296991	-103.63056387
	3,600.00	20.00	291.84	3,460.53	-207.47	-330.72	323.13	-806.41	0.00	456.469.15	717.227.00	32.25299648	-103.63066045
Castile (CSTL)	3,700.00	20.00	291.84	3,554.50	-113.50	-343.74	335.85	-838.15	0.00	456.481.87	717.195.26	32.25303202	-103.63076296
	3,800.00	20.00	291.84	3,648.48	-19.52	-356.76	348.57	-869.90	0.00	456.494.59	717.163.52	32.25306755	-103.63086527
	3,900.00	20.00	291.84	3,742.45	74.45	-369.78	361.29	-901.64	0.00	456.507.31	717.131.77	32.25310309	-103.63097688
	4,000.00	20.00	291.84	3,836.42	168.42	-382.80	374.02	-933.39	0.00	456.520.03	717.100.03	32.25313862	-103.63107008
	4,100.00	20.00	291.84	3,930.39	262.39	-395.81	386.74	-965.13	0.00	456.532.75	717.068.29	32.25317416	-103.63117249
	4,146.62	20.00	291.84	3,974.19	306.19	-401.88	392.67	-979.93	0.00	456.538.68	717.053.49	32.25319072	-103.63122203
	4,200.00	19.60	291.84	4,024.42	356.19	-408.77	399.39	-996.71	0.75	456.545.41	717.036.70	32.25320951	-103.63127437
	4,300.00	18.85	291.84	4,118.84	450.84	-421.30	411.64	-1,027.28	0.75	456.557.65	717.006.14	32.25324372	-103.63137796
	4,400.00	18.10	291.84	4,213.69	545.69	-433.83	423.43	-1,059.69	0.75	456.569.89	716.976.73	32.25327864	-103.63148037
	4,500.00	17.35	291.84	4,308.94	640.94	-444.95	434.75	-1,084.94	0.75	456.580.76	716.948.48	32.25330857	-103.63155900
Drop 0.75"/100ft	4,600.00	16.60	291.84	4,404.59	736.59	-456.06	445.60	-1,112.04	0.75	456.591.62	716.921.38	32.25333861	-103.63164641
	4,700.00	15.85	291.84	4,500.61	832.61	-466.70	455.99	-1,137.97	0.75	456.602.01	716.895.45	32.25336763	-103.63173007
	4,800.00	15.10	291.84	4,596.98	928.98	-476.86	465.92	-1,162.74	0.75	456.611.93	716.870.69	32.25339535	-103.63180996
	4,900.00	14.35	291.84	4,693.70	1,025.70	-486.53	475.37	-1,188.33	0.75	456.621.38	716.847.10	32.25342176	-103.63188606
	5,000.00	13.60	291.84	4,790.74	1,122.74	-495.72	484.35	-1,208.74	0.75	456.630.36	716.824.68	32.25344685	-103.63195836
	5,100.00	12.85	291.84	4,888.08	1,220.08	-504.43	492.86	-1,229.97	0.75	456.638.87	716.803.45	32.25347062	-103.63202686
	5,200.00	12.10	291.84	4,985.72	1,317.72	-512.65	500.89	-1,250.02	0.75	456.646.90	716.783.41	32.25349306	-103.63209153
	5,261.37	11.64	291.84	5,045.78	1,377.78	-517.46	505.59	-1,261.74	0.75	456.651.60	716.771.69	32.25350617	-103.63217032
	5,280.47	11.49	291.84	5,064.49	1,396.49	-518.91	507.01	-1,265.29	0.75	456.653.02	716.768.14	32.25351015	-103.63214079
	5,300.00	11.35	291.84	5,083.64	1,415.64	-520.39	508.45	-1,268.88	0.75	456.654.46	716.764.55	32.25351417	-103.63215237
Lamar (LMAR) Bell Canyon (BEL)	5,400.00	10.60	291.84	5,181.81	1,513.81	-527.63	515.53	-1,286.55	0.75	456.661.54	716.746.88	32.25353395	-103.63220937
	5,500.00	9.85	291.84	5,280.22	1,612.22	-534.39	522.13	-1,303.02	0.75	456.668.14	716.730.41	32.25355239	-103.63226251
	5,600.00	9.10	291.84	5,378.86	1,710.86	-540.65	528.25	-1,318.30	0.75	456.674.26	716.715.13	32.25356949	-103.63231180
	5,700.00	8.35	291.84	5,477.70	1,809.70	-546.43	533.89	-1,332.38	0.75	456.679.89	716.701.05	32.25358524	-103.63236721
	5,800.00	7.60	291.84	5,576.73	1,907.73	-552.67	539.05	-1,346.77	0.75	456.686.06	716.688.06	32.25360094	-103.63239478
	5,900.00	6.85	291.84	5,675.94	2,001.94	-556.49	543.73	-1,356.92	0.75	456.689.74	716.676.51	32.25361272	-103.63243643
	6,000.00	6.10	291.84	5,775.30	2,107.30	-560.79	547.92	-1,367.39	0.75	456.693.93	716.666.04	32.25362443	-103.63247015
	6,100.00	5.35	291.84	5,874.80	2,206.80	-564.58	551.63	-1,376.64	0.75	456.697.64	716.656.79	32.25363479	-103.63250011
	6,131.51	5.11	291.84	5,906.28	2,238.28	-565.67	552.76	-1,379.64	0.75	456.698.71	716.654.17	32.25363841	-103.63250541
	6,200.00	4.60	291.84	5,9									

Comments	MD (ft)	Incl (°)	Azim (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (°)	Longitude (°)
First Bone Spring Lower (FBL)	10.300.00	0.00	291.84	10.073.77	6.405.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	10.400.00	0.00	291.84	10.173.77	6.505.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	10.457.85	0.00	291.84	10.231.62	6.563.62	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	10.500.00	0.00	291.84	10.273.77	6.605.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	10.600.00	0.00	291.84	10.373.77	6.705.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	10.700.00	0.00	291.84	10.473.77	6.805.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
Second Bone Spring Upper (SBU)	10.800.00	0.00	291.84	10.573.77	6.905.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	10.841.92	0.00	291.84	10.615.69	6.947.69	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	10.900.00	0.00	291.84	10.673.77	7.005.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.000.00	0.00	291.84	10.773.77	7.105.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.100.00	0.00	291.84	10.873.77	7.205.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.200.00	0.00	291.84	10.973.77	7.305.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
Second Bone Spring Lower (SBL)	11.300.00	0.00	291.84	11.073.77	7.405.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.376.85	0.00	291.84	11.150.62	7.482.62	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.400.00	0.00	291.84	11.173.77	7.505.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.500.00	0.00	291.84	11.273.77	7.605.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.600.00	0.00	291.84	11.373.77	7.705.77	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
	11.690.03	0.00	291.84	11.463.80	7.795.80	-577.24	564.00	-1.407.51	0.00	456.710.01	716.625.92	32.25366934	-103.63259958
Build 8°/100ft	11.700.00	0.80	291.84	11.473.76	7.805.76	-577.17	563.93	-1.407.51	8.00	456.709.94	716.625.92	32.25366915	-103.63259958
	11.800.00	0.80	291.84	11.573.33	7.905.33	-568.81	555.57	-1.407.43	8.00	456.701.58	716.626.00	32.25364618	-103.63259950
	11.900.00	16.80	291.84	11.670.77	8.002.77	-546.68	533.44	-1.407.22	8.00	456.679.45	716.626.21	32.25358535	-103.63259930
	11.958.00	21.44	291.84	11.725.56	8.057.56	-527.69	514.45	-1.407.04	8.00	456.660.46	716.626.39	32.25353115	-103.63259912
	12.000.00	24.80	291.84	11.764.18	8.096.18	-511.21	497.97	-1.406.89	8.00	456.643.98	716.626.55	32.25348783	-103.63259896
	12.100.00	32.80	291.84	11.851.74	8.183.74	-463.07	449.84	-1.406.43	8.00	456.595.85	716.627.00	32.25335553	-103.63259851
FTP Cross	12.146.63	36.53	291.84	11.890.09	8.222.09	-436.56	423.32	-1.406.18	8.00	456.569.34	716.627.25	32.25328264	-103.63259826
	12.200.00	40.80	291.84	11.931.75	8.263.75	-403.22	389.99	-1.405.87	8.00	456.536.01	716.627.56	32.25319102	-103.63259795
	12.300.00	48.80	291.84	12.002.65	8.334.65	-332.82	319.59	-1.405.21	8.00	456.465.61	716.628.23	32.25299750	-103.63259729
	12.400.00	56.80	291.84	12.063.07	8.395.07	-253.24	240.01	-1.404.46	8.00	456.386.03	716.628.98	32.25277875	-103.63259654
	12.500.00	64.80	291.84	12.111.82	8.443.82	-166.02	152.79	-1.403.63	8.00	456.298.82	716.629.80	32.25253901	-103.63259572
	12.600.00	72.80	291.84	12.147.96	8.479.96	-72.86	59.64	-1.402.75	8.00	456.205.67	716.630.68	32.25228295	-103.63259485
Third Bone Spring (TBS)	12.700.00	80.80	291.84	12.170.78	8.502.78	24.42	-37.63	-1.401.94	8.00	456.108.40	716.631.60	32.25201556	-103.63259391
	12.800.00	88.80	291.84	12.179.84	8.511.84	123.92	-137.13	-1.400.90	8.00	456.008.90	716.632.53	32.25174204	-103.63259300
	12.815.03	90.00	291.84	12.180.00	8.512.00	138.96	-152.16	-1.400.76	8.00	455.993.87	716.632.68	32.25170072	-103.63259286
	12.900.00	90.00	291.84	12.180.00	8.512.00	223.92	-237.13	-1.399.96	0.00	455.908.91	716.633.48	32.25146717	-103.63259206
	13.000.00	90.00	291.84	12.180.00	8.512.00	323.92	-337.12	-1.399.01	0.00	455.808.92	716.634.42	32.25119230	-103.63259112
	13.100.00	90.00	291.84	12.180.00	8.512.00	423.92	-437.12	-1.389.07	0.00	455.708.93	716.635.36	32.25091743	-103.63259018
	13.200.00	90.00	291.84	12.180.00	8.512.00	523.92	-537.11	-1.397.13	0.00	455.608.94	716.636.31	32.25064256	-103.63258925
	13.300.00	90.00	291.84	12.180.00	8.512.00	623.92	-637.11	-1.396.18	0.00	455.508.95	716.637.25	32.25036769	-103.63258831
	13.400.00	90.00	291.84	12.180.00	8.512.00	723.92	-737.10	-1.395.24	0.00	455.408.95	716.638.19	32.25009282	-103.63258737
	13.500.00	90.00	291.84	12.180.00	8.512.00	823.92	-837.10	-1.394.30	0.00	455.308.96	716.639.13	32.24981794	-103.63258643
	13.600.00	90.00	291.84	12.180.00	8.512.00	923.92	-937.10	-1.393.35	0.00	455.208.97	716.640.08	32.24954307	-103.63258549
	13.700.00	90.00	291.84	12.180.00	8.512.00	1,023.92	-1,037.09	-1.392.41	0.00	455.108.98	716.641.02	32.24926820	-103.63258455
	13.800.00	90.00	291.84	12.180.00	8.512.00	1,123.92	-1,137.09	-1.391.47	0.00	455.008.99	716.641.96	32.24899333	-103.63258361
	13.900.00	90.00	291.84	12.180.00	8.512.00	1,223.92	-1,237.08	-1.390.53	0.00	454.909.00	716.642.91	32.24871846	-103.63258268
	14.000.00	90.00	291.84	12.180.00	8.512.00	1,323.92	-1,337.08	-1.389.58	0.00	454.809.01	716.643.85	32.24844358	-103.63258174
	14.100.00	90.00	291.84	12.180.00	8.512.00	1,423.92	-1,437.07	-1.388.64	0.00	454.709.01	716.644.79	32.24816871	-103.63258080
	14.200.00	90.00	291.84	12.180.00	8.512.00	1,523.92	-1,537.07	-1.387.70	0.00	454.609.02	716.645.73	32.24789384	-103.63257986
	14.300.00	90.00	291.84	12.180.00	8.512.00	1,623.92	-1,637.06	-1.386.76	0.00	454.509.03	716.646.68	32.24761897	-103.63257892
	14.400.00	90.00	291.84	12.180.00	8.512.00	1,723.92	-1,737.06	-1.385.81	0.00	454.409.04	716.647.62	32.24734410	-103.63257798
	14.500.00	90.00	291.84	12.180.00	8.512.00	1,823.92	-1,837.06	-1.384.87	0.00	454.309.05	716.648.56	32.24706922	-103.63257704
	14.600.00	90.00	291.84	12.180.00	8.512.00	1,923.92	-1,937.05	-1.383.93	0.00	454.209.05	716.649.51	32.24679435	-103.63257610
	14.700.00	90.00	291.84	12.180.00	8.512.00	2,023.92	-2,037.05	-1.382.98	0.00	454.109.06	716.650.45	32.24651948	-103.63257516
	14.800.00	90.00	291.84	12.180.00	8.512.00	2,123.92	-2,137.04	-1.382.04	0.00	454.009.07	716.651.39	32.24624461	-103.63257423
	14.900.00	90.00	291.84	12.180.00	8.512.00	2,223.92	-2,237.04	-1.381.10	0.00	453.909.08	716.652.33	32.24596974	-103.63257329
	15.000.00	90.00	291.84	12.180.00	8.512.00	2,323.92	-2,337.03	-1.380.16	0.00	453.809.09	716.653.28	32.24569486	-103.63257235
	15.100.00	90.00	291.84	12.180.00	8.512.00	2,423.92	-2,437.03	-1.379.21	0.00	453.709.09	716.654.22	32.24541999	-103.63257141
	15.200.00	90.00	291.84	12.180.00	8.512.00	2,523.92	-2,537.02	-1.378.27	0.00	453.609.10	716.655.16	32.24514512	-103.63257047
	15.300.00	90.00	291.84	12.180.00	8.512.00	2,623.92	-2,637.02	-1.377.33	0.00	453.509.11	716.656.11	32.24487025	-103.63256953
	15.400.00	90.00	291.84	12.180.00	8.512.00	2,723.92	-2,737.02	-1.376.38	0.00	453.409.12	716.657.05	32.24459538	-103.63256859
	15.500.00	90.00	291.84	12.180.00	8.512.00	2,823.92	-2,837.01	-1.375.44	0.00	453.309.13	716.657.99	32.24432050	-103.63256765
	15.600.00	90.00	291.84	12.180.00	8.512.00	2,923.92	-2,937.01	-1.374.50	0.00	453.209.14	716.658.93	32.24404563	-103.63256672
	15.700.00	90.00	291.84	12.180.00	8.512.00	3,023.92	-3,037.00	-1.373.56	0.00	453.109.14	716.659.88	32.24377076	-103.63256578
	15.800.00	90.00	291.84	12.180.00	8.512.00	3,123.92	-3,137.00	-1.372.61	0.00	453.009.15	716.660.82	32.24349589	-103.63256484
	15.900.00	90.00	291.84	12.180.00	8.512.00	3,223.92	-3,236.99	-1.371.67	0.00	452.909.16	716.661.76	32.243	

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	CHEVRON USA INCORPORATED
WELL NAME & NO.:	MR 1 FED 507H
SURFACE HOLE FOOTAGE:	629'/N & 2572'/W
BOTTOM HOLE FOOTAGE:	25'/S & 1170'/W
LOCATION:	Section 1, T.24 S., R.32 E., NMP
COUNTY:	Lea County, New Mexico

COA

H2S	☒ Yes	☐ No	
Potash	☒ None	☐ Secretary	☐ R-111-P
Cave/Karst Potential	☒ Low	☐ Medium	☐ High
Cave/Karst Potential	☐ Critical		
Variance	☐ None	☒ Flex Hose	☐ Other
Wellhead	☐ Conventional	☒ Multibowl	☐ Both
Wellhead Variance	☐ Diverter		
Other	☐ 4 String	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Pilot Hole	☐ Open Annulus
Cementing	☐ Contingency Cement Squeeze	☐ EchoMeter	☐ Primary Cement Squeeze
Special Requirements	☐ Water Disposal	☐ COM	☐ Unit
Special Requirements	☐ Batch Sundry		
Special Requirements Variance	☒ Break Testing	☐ Offline Cementing	☐ Casing Clearance

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. As a result, the Hydrogen Sulfide area must meet 43 CFR part 3170 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Primary Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **1330 feet per BLM Geologist** (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface. The surface hole shall be **16 or 17.5** inch in diameter.

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Operator is approved to use contingency cementing for the Intermediate and Production section. Operator shall notify the BLM before proceeding with contingency operation.

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

- Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

3. The minimum required fill of cement behind the **7** inch intermediate casing is:

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.
Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.

4. The minimum required fill of cement behind the **5 X 4-1/2** inch production liner is:

- Cement should tie-back **100 feet** into the previous casing. Operator shall provide method of verification.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the Choose an item. inch Choose an item. casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 3500 (70% Working Pressure) psi.**
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

**(Note: For a minimum 5M BOPE or less (Utilizing a 10M BOPE system)
BOPE Break Testing Variance**

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. **(Annular preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP)**
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer **(575-706-2779)** prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required. (200' TVD tolerance between intermediate shoes is allowable).
- The BLM is to be contacted (575-689-5981 Lea County) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per 43 CFR 3170

GENERAL REQUIREMENTS

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

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ Eddy County

EMAIL or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,

BLM_NM_CFO_DrillingNotifications@BLM.GOV

(575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,

(575) 689-5981

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - i. Notify the BLM when moving in and removing the Spudder Rig.
 - ii. Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - iii. BOP/BOPE test to be conducted per **43 CFR 3172** as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from

spacer and drilling mud. The results should be documented in the driller's log and daily reports.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends of both lead and tail cement, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at

total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-Q potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR 3172**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - ii. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - iii. Manufacturer representative shall install the test plug for the initial BOP test.
 - iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
 - v. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be

cut off, cementing operations performed and another wellhead installed.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - i. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - ii. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
 - iii. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR 3172** with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for 8 hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - iv. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
 - v. The results of the test shall be reported to the appropriate BLM office.

- vi. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- vii. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- viii. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per **43 CFR 3172**.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

JS 9/24/2025



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>
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

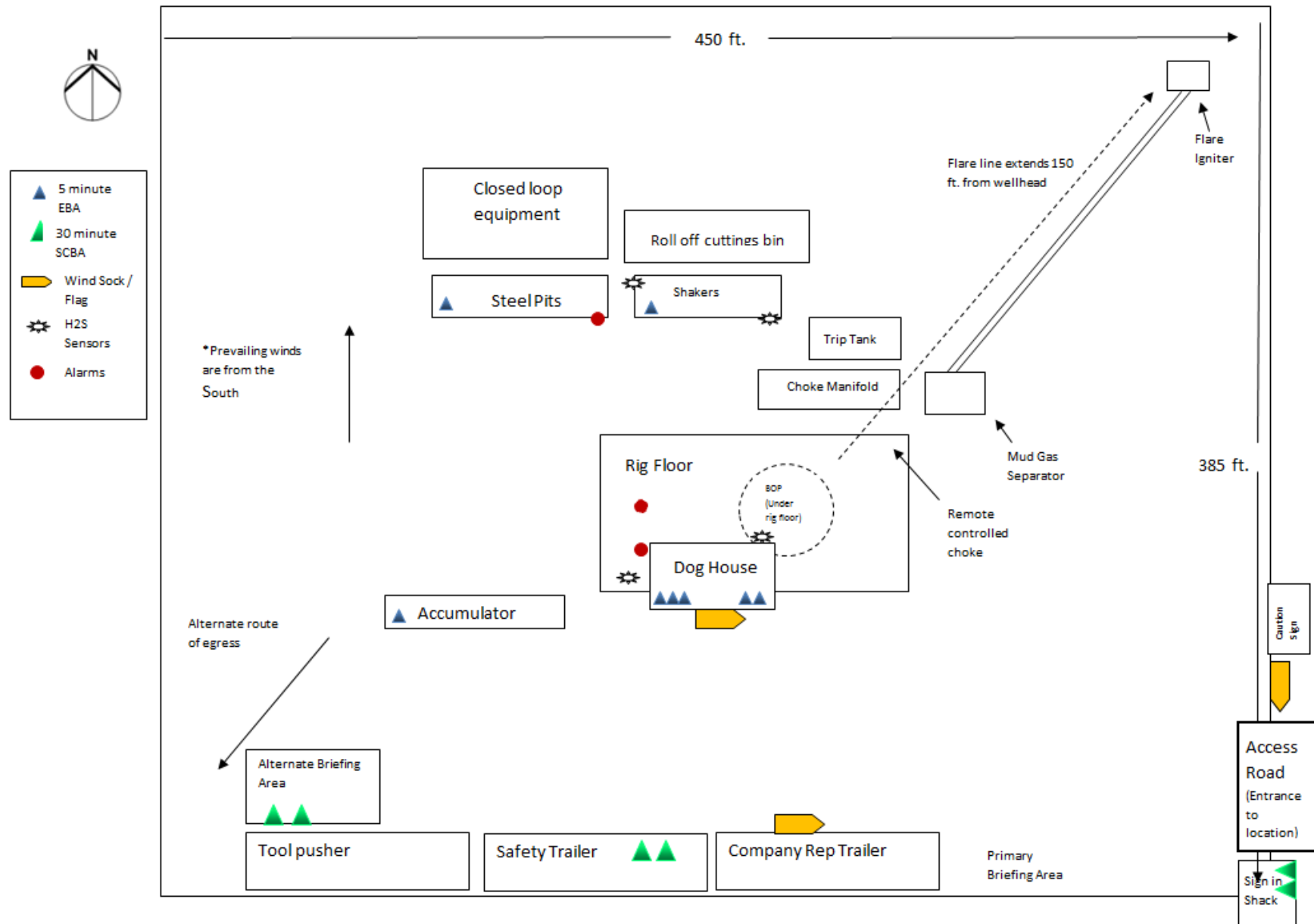
Chevron MCBU D&C Emergency Notifications

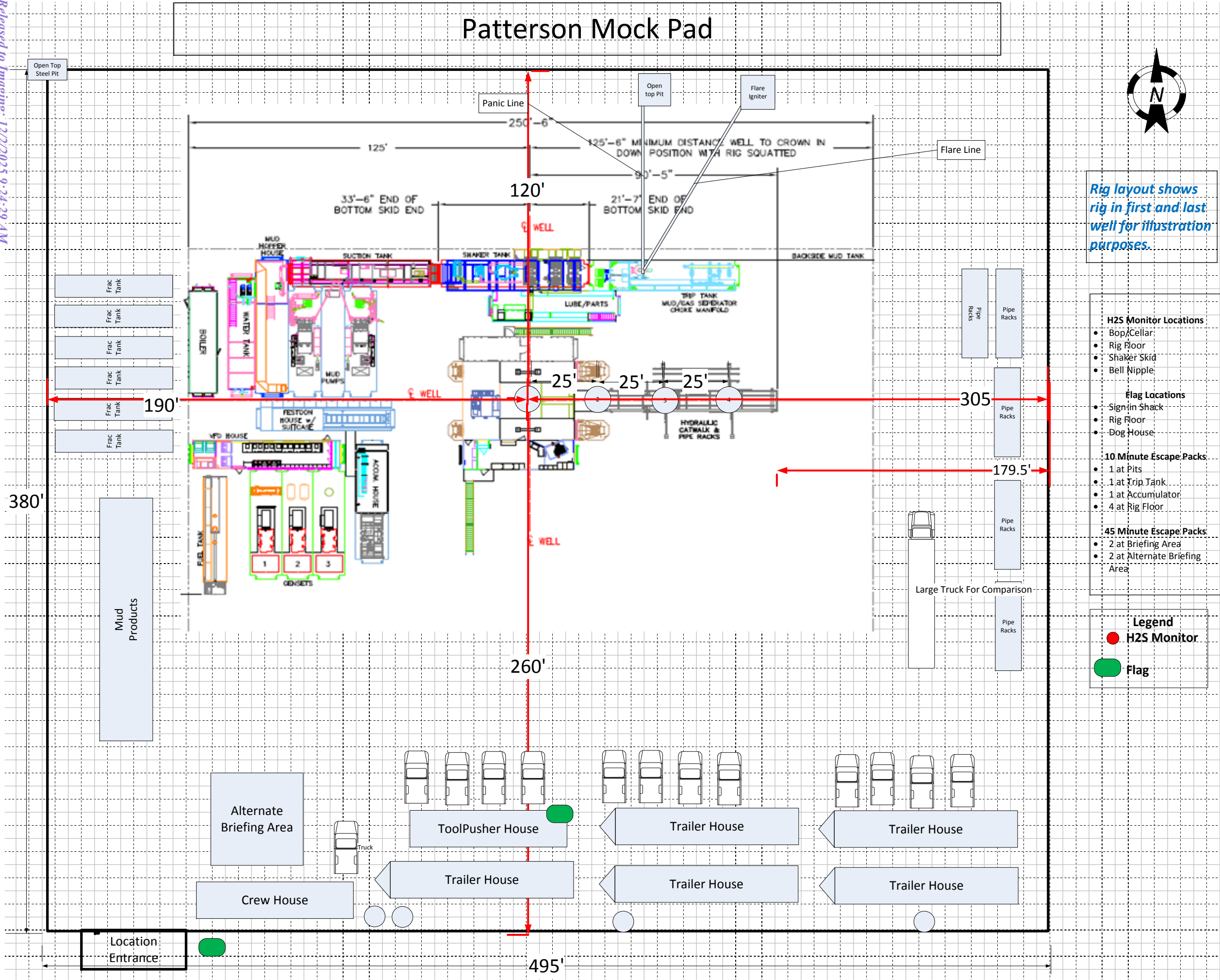
Below are lists of contacts to be used in emergency situations.

	Name	Title	Office Number	Cell Phone
1.	TBD	Drilling Engineer		
2.	Sergio Hernandez	Superintendent	713 372 1402	
5.	Dennis Mchugh	Drilling Manager	(713) 372-4496	
6.	Kyle Eastman	Operations Manager	713-372-5863	
7.	TBD	D&C HES		
8.	TBD	Completion Engineer		



H₂S Preparedness and Contingency Plan Summary







Drilling Plan Data Report

05/29/2025

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

APD ID: 10400101610

Submission Date: 10/24/2024

Operator Name: CHEVRON USA INCORPORATED

Highlighted data
reflects the most
recent changes

Well Name: MR 1 FEDERAL

Well Number: 507H

Well Type: OIL WELL

Well Work Type: Drill

[Show Final Text](#)

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
15724264	RUSTLER	3640	1224	1230	SANDSTONE	NONE	N
15724265	SALADO	1989	1651	1674	ANHYDRITE, SALT	NONE	N
15724266	CASTILE	250	3390	3525	ANHYDRITE, SALT	NONE	N
15724267	LAMAR	-1406	5046	5261	LIMESTONE, SHALE	NONE	N
15724268	BELL CANYON	-1424	5064	5280	LIMESTONE, SANDSTONE	NONE	N
15724269	CHERRY CANYON	-2266	5906	6132	SANDSTONE, SILTSTONE	NONE	N
15724270	BRUSHY CANYON	-3626	7266	7492	SHALE, SILTSTONE	NONE	N
15724271	AVALON SAND	-5341	8981	9207	LIMESTONE, SANDSTONE, SHALE	NONE	N
15724272	BONE SPRING 1ST	-6371	10011	10237	SHALE	NONE	N
15724273	BONE SPRING 2ND	-6976	10616	10842	SHALE	NONE	N
15724274	BONE SPRING 3RD	-8250	11890	12147	SHALE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 12180

Equipment: Chevron will have a minimum of a 5,000 psi rig stack for drill out below surface casing

Requesting Variance? YES

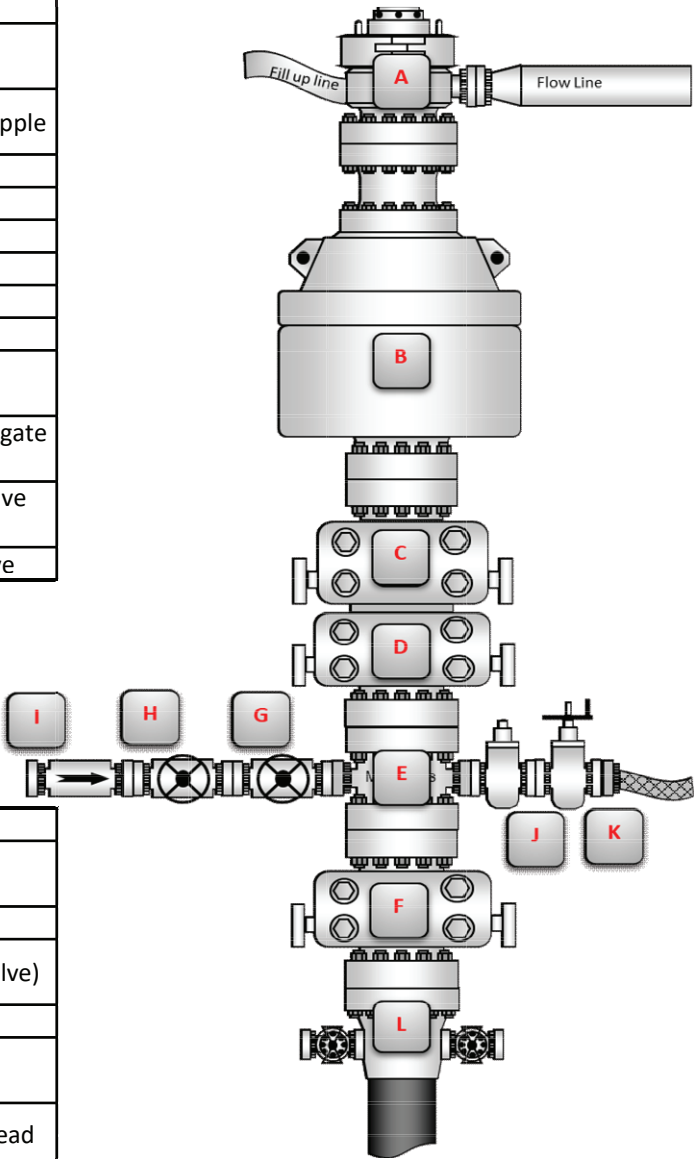
Variance request: Chevron respectfully request to vary from the Onshore Order 2 where it states: "(A full BOP Test) shall be performed: when initially installed and whenever any seal subject to test pressure is broken." We propose to break test if able to finish the next hole section within 21 days of the previous full BOP test. No BOP components nor any break will ever surpass 21 days between testing. A break test will consist of a 250 psi low / 5,000 psi high for 10 min each test against the connection that was broken when skidding the rig. Upon the first nipple up of the pad a full BOP test will be performed. A full BOP test will be

BLOWOUT PREVENTER SCHEMATIC

Operation:	Intermediate(s)
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"	5,000	Blind Ram
D	13-5/8"	5,000	Pipe Ram
E	13-5/8"	5,000	Mud Cross
F	13-5/8"	5,000	Pipe Ram
Kill Line			
Part	Size	Pressure Rating	Description
G	2"	5,000	Inside Kill Line Valve (gate valve)
H	2"	5,000	Outside Kill Line Valve (gate valve)
I	2"	5,000	Kill Line Check valve

Choke line			
Part	Size	Pressure Rating	Description
J	3"	5,000	HCR (gate valve)
K	3"	5,000	Manual HCR (gate valve)
Wellhead			
Part	Size	Pressure Rating	Description
L	13-5/8"	5,000	FMC 5M/10M 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.
The kill line and choke line will be straight unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and reduce vibration.
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.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

ACKNOWLEDGMENTS

Action 508729

ACKNOWLEDGMENTS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 508729
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

ACKNOWLEDGMENTS

☒	I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well.
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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 508729

COMMENTS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 508729
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

COMMENTS

Created By	Comment	Comment Date
jeffrey.harrison	Submitted as defining well for horizontal spacing unit.	11/24/2025

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Phone: (505) 476-3441

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Phone: (505) 629-6116

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

CONDITIONS

Action 508729

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 508729
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
aprentice	Cement is required to circulate on both surface and intermediate1 strings of casing.	9/24/2025
aprentice	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.	9/24/2025
jeffrey.harrison	Any string of casing or liner that is not circulated to surface must have a minimum of 200' of cement tie-back into the previous string of casing.	11/24/2025
jeffrey.harrison	File As Drilled C-102 and a directional Survey with C-104 completion packet.	12/2/2025
jeffrey.harrison	Notify the OCD 24 hours prior to casing & cement.	12/2/2025
jeffrey.harrison	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.	12/2/2025
jeffrey.harrison	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.	12/2/2025