

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

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|--|--|--|
| Well Name: CO 34 27 FEDERAL COM | Well Location: T25S / R32E / SEC 3 / LOT 1 / 32.164948 / -103.655722 | County or Parish/State: LEA / NM |
| Well Number: 635H | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMLC061936 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3002554286 | Operator: CHEVRON USA INCORPORATED | |

Notice of Intent

Sundry ID: 2886126

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: 12/09/2025

Time Sundry Submitted: 03:06

Date proposed operation will begin: 12/09/2025

Procedure Description: Chevron U.S.A. Inc. requests an update to the C102. The original surveyor (Fenstermaker) provided incorrect footages, Property Code and Order# on the C102 and the current surveyor (Holland) has revised the C102 to show the correct information. Please refer to the corrected C102 for CO 34 27 FED COM #635H. Changes requested per NMOCD on C102 OLD SHL: UL: A SECT 3 T-25S R-32E 527' FNL & 674' FEL NEW SHL:UL: A SECT 3 T-25S R-32E 674' FNL & 436' FEL Old: Property Code 336921 New: Property Code - Pending Old: Order Numbers N/A New: Order Numbers- NSL Pending Old: Date of Survey 6/24/2023 New : Date of Survey 11/20/2025

NOI Attachments

Procedure Description

CO_34_27_FEDERAL_COM_635H_C102_R1_Cert120925_SIGNED_20251209150550.pdf

Well Name: CO 34 27 FEDERAL COM

Well Location: T25S / R32E / SEC 3 / LOT 1 / 32.164948 / -103.655722

County or Parish/State: LEA / NM

Well Number: 635H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC061936

Unit or CA Name:

Unit or CA Number:

US Well Number: 3002554286

Operator: CHEVRON USA INCORPORATED

Operator

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: CINDY HERRERA-MURILLO

Signed on: DEC 16, 2025 10:06 AM

Name: CHEVRON USA INCORPORATED

Title: Permitting Specialist

Street Address: 1616 W BENDER BLVD

City: HOBBS

State: NM

Phone: (575) 263-0431

Email address: CHERRERAMURILLO@CHEVRON.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: CHRISTOPHER WALLS

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752342234

BLM POC Email Address: CWALLS@BLM.GOV

Disposition: Approved

Disposition Date: 12/23/2025

Signature: Chris Walls

Form 3160-5
(October 2024)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0220
Expires: October 31, 2027

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

| | |
|--------------------------------------|------------|
| 5. Lease Serial No. | NMLC061936 |
| 6. If Indian, Allottee or Tribe Name | |

| | | |
|--|---|---|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | 7. If Unit of CA/Agreement, Name and/or No. |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. CO 34 27 FEDERAL COM/635H |
| 2. Name of Operator CHEVRON USA INCORPORATED | | 9. API Well No. 3002554286 |
| 3a. Address PO BOX 1392, BAKERSFIELD, CA 93302 | 3b. Phone No. (include area code) (661) 633-4000 | 10. Field and Pool or Exploratory Area WC-025 G-08 S253216D/UPPER WOLFCAMP |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEC 3/T25S/R32E/NMP | | 11. Country or Parish, State LEA/NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|--|--|---|--|---|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off | |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity | |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other | |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Chevron U.S.A. Inc. requests an update to the C102. The original surveyor (Fenstermaker) provided incorrect footages, Property Code and Order# on the C102 and the current surveyor (Holland) has revised the C102 to show the correct information. Please refer to the corrected C102 for CO 34 27 FED COM #635H.

Changes requested per NMOCD on C102

OLD SHL: UL: A SECT 3 T-25S R-32E 527' FNL & 674' FEL

NEW SHL:UL: A SECT 3 T-25S R-32E 674' FNL & 436' FEL

Old: Property Code 336921

New: Property Code - Pending

Old: Order Numbers N/A

New: Order Numbers- NSL Pending

Old: Date of Survey 6/24/2023

New : Date of Survey 11/20/2025

| | |
|---|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) CINDY HERRERA-MURILLO / Ph: (575) 263-0431 | Title Permitting Specialist |
| Signature (Electronic Submission) | Date 12/16/2025 |

THE SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------------------------|--------------------|
| Approved by CHRISTOPHER WALLS / Ph: (575) 234-2234 / Approved | Title Petroleum Engineer | Date 12/23/2025 |
| Conditions of approval, if any, are attached. Approval of this notice 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. | | Office CARLSBAD |

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.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: LOT 1 / 527 FNL / 674 FEL / TWSP: 25S / RANGE: 32E / SECTION: 3 / LAT: 32.164948 / LONG: -103.655722 (TVD: 0 feet, MD: 0 feet)

PPP: NWSE / 2639 FNL / 1430 FEL / TWSP: 24S / RANGE: 32E / SECTION: 27 / LAT: 32.188557 / LONG: -103.658604 (TVD: 13080 feet, MD: 18507 feet)

PPP: SWSE / 25 FSL / 1430 FEL / TWSP: 24S / RANGE: 32E / SECTION: 34 / LAT: 32.16686 / LONG: -103.658608 (TVD: 13080 feet, MD: 13507 feet)

BHL: NWNE / 25 FNL / 1430 FEL / TWSP: 24S / RANGE: 32E / SECTION: 27 / LAT: 32.195744 / LONG: -103.658602 (TVD: 13080 feet, MD: 24015 feet)

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 other boundary of the tract.

Surveyors shall use the latest United States government survey or dependent reference. 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.

(NAD 27 NM E)

| | | |
|---|------------------------------------|--------------------------------------|
| CO 34 27 FEDERAL COM NO. 635H WELL | PROPOSED KICK OFF POINT | PROPOSED FIRST TAKE POINT |
| X=709,849.04 | X=709,294.25 | X=709,371.70 |
| Y=424,345.18 | Y=424,442.10 | Y=425,039.89 |
| LAT.32.164824°N | LAT.32.165100°N | LAT.32.166742°N |
| LONG.103.655180°W | LONG.103.656971°W | LONG.103.656709°W |

| | | |
|-------------------------------|-------------------|-------------------------------------|
| PROPOSED MID POINT | PPP | PROPOSED LAST TAKE POINT |
| X=709,336.56 | X=709,323.08 | X=709,308.47 |
| Y=430,300.72 | Y=432,932.84 | Y=435,471.55 |
| LAT.32.181204°N | LAT.32.188439°N | LAT.32.195418°N |
| LONG.103.656715°W | LONG.103.656705°W | LONG.103.656701°W |

**PROPOSED BOTTOM
HOLE LOCATION**
X=709,308.04
Y=435,546.55
LAT.32.195624°N
LONG.103.656701°W

(NAD 83/2011 NM E)

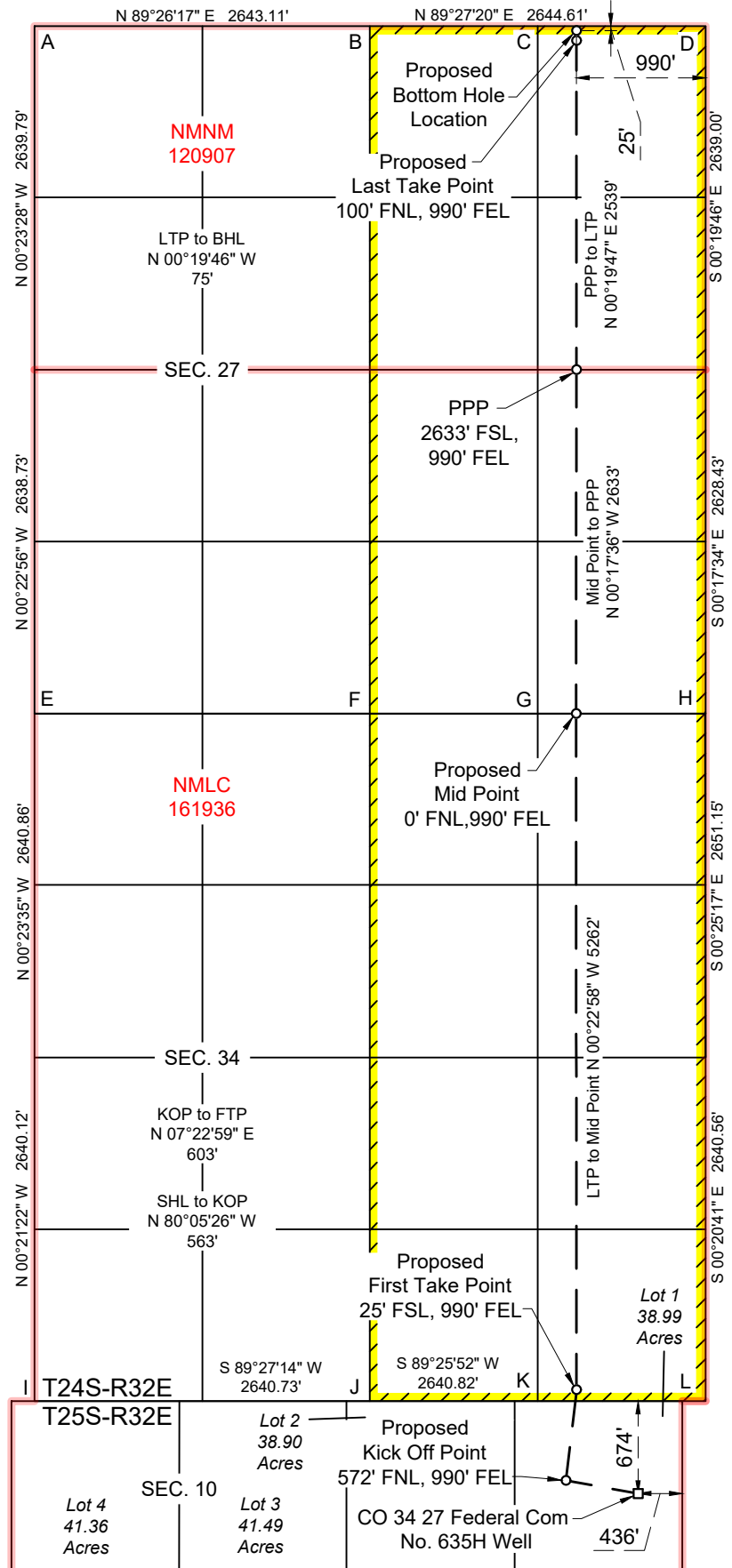
| | | |
|---|------------------------------------|--------------------------------------|
| CO 34 27 FEDERAL COM NO. 635H WELL | PROPOSED KICK OFF POINT | PROPOSED FIRST TAKE POINT |
| X=751,034.14 | X=750,479.34 | X=750,556.79 |
| Y=424,403.33 | Y=424,500.26 | Y=425,097.42 |
| LAT.32.164948°N | LAT.32.165224°N | LAT.32.166864°N |
| LONG.103.655657°W | LONG.103.657448°W | LONG.103.657186°W |

| | | |
|-------------------------------|-------------------|-------------------------------------|
| PROPOSED MID POINT | PPP | PROPOSED LAST TAKE POINT |
| X=750,521.39 | X=750,507.80 | X=750,493.08 |
| Y=430,359.00 | Y=432,991.18 | Y=435,529.94 |
| LAT.32.181327°N | LAT.32.188563°N | LAT.32.195541°N |
| LONG.103.657193°W | LONG.103.657184°W | LONG.103.657180°W |

**PROPOSED BOTTOM
HOLE LOCATION**
X=750,492.65
Y=435,604.94
LAT.32.195748°N
LONG.103.657180°W

CORNER COORDINATES
(NAD 27 NM E)

- A - X=705011.42, Y=435529.91 IP w/ CAP "1916"
- B - X=707653.89, Y=435555.83 IP w/ CAP "1916"
- C - X=708975.87, Y=435568.39
- D - X=710297.86, Y=435580.96 IP w/ CAP "1916"
- E - X=705047.04, Y=430252.55 IP w/ CAP "1913"
- F - X=707687.69, Y=430277.54 IP w/ CAP "1916"
- G - X=709007.07, Y=430296.09
- H - X=710326.46, Y=430314.64 IP w/ CAP "1916"
- I - X=705081.56, Y=424972.71 IP w/ CAP "1916"
- J - X=707721.70, Y=424998.40 IP w/ CAP "1916"
- K - X=709041.74, Y=425011.23
- L - X=710361.83, Y=425024.09 IP w/ CAP "1916"



PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

| | |
|-----------------------|----------------------------------|
| OPERATOR'S NAME: | CHEVRON USA INCORPORATED |
| WELL NAME & NO.: | CO 34 27 FED COM 708H |
| SURFACE HOLE FOOTAGE: | 527'/N & 674'/E |
| BOTTOM HOLE FOOTAGE: | 25'/N & 1430'/E |
| LOCATION: | Section 3, T.25 S., R.32 E., NMP |
| COUNTY: | Lea County, New Mexico |

COA

| | | | |
|----------------------------------|--|---|--|
| H2S | <input checked="" type="radio"/> Yes | <input type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High |
| Cave/Karst Potential | <input type="radio"/> Critical | | |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both |
| Wellhead Variance | <input type="radio"/> Diverter | | |
| Other | <input type="checkbox"/> 4 String | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |
| Other | <input checked="" type="checkbox"/> Fluid Filled | <input type="checkbox"/> Pilot Hole | <input type="checkbox"/> Open Annulus |
| Cementing | <input type="checkbox"/> Contingency Cement Squeeze | <input type="checkbox"/> EchoMeter | <input type="checkbox"/> Primary Cement Squeeze |
| Special Requirements | <input type="checkbox"/> Water Disposal | <input checked="" type="checkbox"/> COM | <input type="checkbox"/> Unit |
| Special Requirements | <input type="checkbox"/> Batch Sundry | | |
| Special Requirements Variance | <input checked="" type="checkbox"/> Break Testing | <input type="checkbox"/> Offline Cementing | <input type="checkbox"/> 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:

- The 13-3/8 inch surface casing shall be set at approximately **1125** (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 inch 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.

If **17.5 inch** hole is utilized:

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.

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. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash. 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.

Production liner casing must be kept fluid filled to meet BLM minimum collapse requirement.

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 **13-3/8** inch surface 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 5000 (5M) 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)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in 43 CFR 3170.

- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

(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 Onshore Oil and Gas Order No. 2.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

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
 - Notify the BLM when moving in and removing the Spudder Rig.
 - 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.
 - BOP/BOPE test to be conducted per **43 CFR part 3170 Subpart 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. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

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, 2) until cement has been in place at least 24 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-P 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 part 3170 Subpart 3172 and API STD 53 Sec. 5.3**.
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:
 - 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. 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.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead 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).
 - b. 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.)

- c. 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 part 3170 Subpart 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 water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. 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.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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.
- h. 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 part 3170 Subpart 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 4/9/2024

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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

CONDITIONS

Action 553476

CONDITIONS

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| Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706 | OGRID: 4323 |
| | Action Number: 553476 |
| | Action Type: [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|---------------------------------|----------------|
| matthew.gomez | All previous COA's still apply. | 3/20/2026 |