

NMOCD CONDITIONS OF APPROVAL

| API # | Operator | Well name & Number |
|--------------|-------------------|----------------------------|
| 30-025-43460 | CHEVRON U S A INC | SD WE 23 FEDERAL P25 #001H |

Applicable conditions of approval marked with XXXXXX

Gas Capture Plan

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| XXXXXXX | Submit Gas Capture Plan form prior to spudding or initiating recompletion operations |
| | Approval for drilling/workover ONLY – CANNOT INJECT or DISPOSE until injection/disposal order has been approved by the OCD Santa Fe Office. |
| | Must conduct & pass MIT prior to any injection |
| | Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114 or 102 |
| XXXXXXX | 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. |
| | Will require a directional survey with C-104 |
| | Will require administrative order for non-standard location prior to placing the well on production |
| | Will require administrative order for non-standard spacing unit |
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