

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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.***HOBBS OCD****SUBMIT IN TRIPLICATE - Other instructions on page 2**

APR 05 2019

**RECEIVED**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC061936
2. Name of Operator CHEVRON USA INCORPORATED Contact: LAURA BECERRA E-Mail: LBECERRA@CHEVRON.COM		6. If Indian, Allottee or Tribe Name
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 432-687-7655	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T25S R32E SENE 2640FNL 1015FEL 32.159538 N Lat, 103.657387 W Lon		8. Well Name and No. CO GRIZZLY 3 27 FED 0057H
		9. API Well No. 30-025-45488-00-X1
		10. Field and Pool or Exploratory Area COTTON DRAW
		11. County or Parish, State LEA COUNTY, NM

Carlsbad Field Office  
**OCD Hobbs****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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 RESPECTFULLY REQUESTS A CORRECTION TO THE ORIGINALLY APPROVED WELL NAME.

CORRECT WELL NAME: CO GRIZZLY 3 34 FED 0057H

ATTACHED YOU WILL FIND THE WELL PLAT AS WELL AS THE AMENDED GAS CAPTURE PLAN.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #451605 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 02/01/2019 (19PP0882SE)</b>	
Name (Printed/Typed) LAURA BECERRA	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 01/23/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>ZOTA STEVENS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>03/11/2019</u>
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 <u>Hobbs</u>		

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)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\****KZ*

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-45488		<sup>2</sup> Pool Code 96715		<sup>3</sup> Pool Name WC-025 G-06 S253206M; BONE SPRING	
<sup>4</sup> Property Code 323139		<sup>5</sup> Property Name CO GRIZZLY 3 34 FED			<sup>6</sup> Well Number 0057H
<sup>7</sup> OGRID No. 4323		<sup>8</sup> Operator Name CHEVRON U.S.A. INC.			<sup>9</sup> Elevation 3494'

**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	25 SOUTH	32 EAST, N.M.P.M.		2640'	NORTH	1015'	EAST	LEA

**<sup>11</sup> Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	34	24 SOUTH	32 EAST, N.M.P.M.		100'	NORTH	1782'	EAST	LEA

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> <table border="1"> <tr> <th>CO GRIZZLY 3 34 FED 0057H WELL</th> <th>PROPOSED BOTTOM HOLE LOCATION</th> </tr> <tr> <td>X= 709,325 NAD 27</td> <td>X= 708,548 NAD 27</td> </tr> <tr> <td>Y= 422,374</td> <td>Y= 430,185</td> </tr> <tr> <td>LAT. 32.159415</td> <td>LAT. 32.180900</td> </tr> <tr> <td>LONG. 103.656913</td> <td>LONG. 103.659265</td> </tr> <tr> <td>X= 750,511 NAD83</td> <td>X= 749,733 NAD83</td> </tr> <tr> <td>Y= 422,432</td> <td>Y= 430,244</td> </tr> <tr> <td>LAT. 32.159539</td> <td>LAT. 32.181025</td> </tr> <tr> <td>LONG. 103.657389</td> <td>LONG. 103.659743</td> </tr> <tr> <td colspan="2">ELEVATION +3494' NAVD 88</td> </tr> </table>		CO GRIZZLY 3 34 FED 0057H WELL	PROPOSED BOTTOM HOLE LOCATION	X= 709,325 NAD 27	X= 708,548 NAD 27	Y= 422,374	Y= 430,185	LAT. 32.159415	LAT. 32.180900	LONG. 103.656913	LONG. 103.659265	X= 750,511 NAD83	X= 749,733 NAD83	Y= 422,432	Y= 430,244	LAT. 32.159539	LAT. 32.181025	LONG. 103.657389	LONG. 103.659743	ELEVATION +3494' NAVD 88			<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>[Signature]</i> Date: 4/30/2018 Printed Name: Laura Becerra E-mail Address: LBecerra@Chevron.com
CO GRIZZLY 3 34 FED 0057H WELL	PROPOSED BOTTOM HOLE LOCATION																						
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**CORNER COORDINATES TABLE (NAD 27)**

A - Y=430251.61, X=705046.53  
B - Y=430302.57, X=710329.72  
C - Y=424972.86, X=705081.74  
D - Y=425024.01, X=710361.63  
E - Y=419689.78, X=704990.58  
F - Y=419739.04, X=710319.17

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

Submit Original  
to Appropriate  
District Office

### GAS CAPTURE PLAN

☐ Original      Operator & OGRID No.: CHEVRON U S A INC 4323  
☒ Amended      Date: 1/11/2019  
Reason for Amendment: Well names for wells 052H, 055H, 057H and 510H need to be corrected

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

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

#### Well(s)/Production Facility – Cotton Draw CTB 3

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
CO Grizzly 3 27 FED 0051H	30-025-45485	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,040' FEL	5,000	0	
CO Grizzly 3 10 FED 0052H	30-025-45486	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,090' FEL	5,000	0	
CO Grizzly 3 10 FED 0055H	30-025-45487	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,115' FEL	5,000	0	
CO Grizzly 3 34 FED 0057H	30-025-45488	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,015' FEL	5,000	0	
CO Grizzly 3 34 FED 00510H	30-025-45489	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,065' FEL	5,000	0	

#### Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa Delaware, LLC ("Targa") and connected to Targa's high pressure gathering system located in Lea County, New Mexico. Chevron will periodically provide Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Chevron and Targa will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Falcon Gas Plant North located in the south ½ of Sec.4, Block 58-T1, Culberson County, Texas. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

#### Flowback Strategy

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

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

#### Alternatives to Reduce Flaring

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

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines