

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**
FEB 20 2020**SUBMIT IN TRIPLICATE - Other instructions on page 2**

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM96244 |
| 2. Name of Operator CHEVRON USA INCORPORATED | | 6. If Indian, Allottee or Tribe Name |
| Contact: LAURA BECERRA E-Mail: LBECERRA@CHEVRON.COM | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706 | 3b. Phone No. (include area code) Ph: 432-687-7665 | 8. Well Name and No. DL 4 33 LOCH NESS FED COM P1 4H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T22S R33E SWSE 264FSL 1347FEL 32.414284 N Lat, 103.573242 W Lon | | 9. API Well No. 30-025-46644-00-X1 |
| | | 10. Field and Pool or Exploratory Area WILDCAT |
| | | 11. County or Parish, State LEA COUNTY, 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 checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Onshore Order Variance |
| | <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 recompleat 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 USA respectfully requests a variance for the wells below to wait to 500 psi compressive strength of the tail cement slurries for both the Surface and Intermediate casing. Engineering lab tests as provided by the cementing provider Tests are attached to this request.

DL 4 33 LOCH NESS FED COM P1 4H - 30-025-46644
DL 4 33 LOCH NESS FED COM P1 5H - 30-025-46645
DL 4 33 LOCH NESS FED COM P1 6H - 30-025-46646
DL 9 16 LOCH NESS FED COM P1 16H - 30-025-46647
DL 9 16 LOCH NESS FED COM P1 17H - 30-025-46648
DL 9 16 LOCH NESS FED COM P1 18H - 30-025-46649

We are also requesting a variance from the Onshore Order 2 where it states: "(A full BOP Test)

| | |
|--|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #497160 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 01/25/2020 (20PP1079SE) | |
| Name (Printed/Typed) LAURA BECERRA | Title REGULATORY SPECIALIST |
| Signature (Electronic Submission) | Date 12/30/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|------------------------|
| Approved By <u>NDUNGU KAMAU</u> | Title <u>PETROLEUM ENGINEER</u> | Date <u>02/11/2020</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 Hobbs | | |

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 ****

Additional data for EC transaction #497160 that would not fit on the form

32. Additional remarks, continued

shall be performed: when initially installed and whenever any seal subject to test pressure is broken."

We propose to perform a "break test" on the BOP when able to finish the next hole section within 21 days of the previous full BOP test. Upon the first nipple up of the pad a full BOP test will be performed. The break test will consist of a 250 psi low /~ 5,000 psi high (10 min ea.) test against the connection that was broken when skidding the rig (between the BOP and the wellhead). Time between full BOP tests will never surpass 21 days. A break test will not be performed on our last production hole section. A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized, details are attached.

**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

| | |
|-------------------------|-----------------------------|
| OPERATOR'S NAME: | CHEVRON USA INCORPORATED |
| LEASE NO.: | NMNM096244 |
| LOCATION: | SECTION 4, T22S, R33E, NMPM |
| COUNTY: | EDDY |

| | |
|--------------------------------|-----------------------------------|
| A. WELL NAME & NO.: | 4H - DL 4 33 LOCH NESS FED COM P1 |
| SURFACE HOLE FOOTAGE: | 264'/S & 1347'/E |
| BOTTOM HOLE FOOTAGE | 25'/N & 2310'/E |

| | |
|------------------------------|-----------------------------------|
| WELL NAME & NO.: | 5H - DL 4 33 LOCH NESS FED COM P1 |
| SURFACE HOLE FOOTAGE: | 264'/S & 1297'/E |
| BOTTOM HOLE FOOTAGE | 25'/N & 1430'/E |

| | |
|------------------------------|-----------------------------------|
| WELL NAME & NO.: | 6H - DL 4 33 LOCH NESS FED COM P1 |
| SURFACE HOLE FOOTAGE: | 264'/S & 1247'/E |
| BOTTOM HOLE FOOTAGE | 25'/N & 550'/E |

| | |
|------------------------------|------------------------------------|
| WELL NAME & NO.: | 16H - DL 9 16 LOCH NESS FED COM P1 |
| SURFACE HOLE FOOTAGE: | 263'/S & 1372'/E |
| BOTTOM HOLE FOOTAGE | 25'/S & 2310'/E |

| | |
|------------------------------|------------------------------------|
| WELL NAME & NO.: | 17H - DL 9 16 LOCH NESS FED COM P1 |
| SURFACE HOLE FOOTAGE: | 264'/S & 1322'/E |
| BOTTOM HOLE FOOTAGE | 25'/S & 1430'/E |

| | |
|------------------------------|------------------------------------|
| WELL NAME & NO.: | 18H - DL 9 16 LOCH NESS FED COM P1 |
| SURFACE HOLE FOOTAGE: | 264'/S & 1272'/E |
| BOTTOM HOLE FOOTAGE | 25'/S & 550'/E |

A. SPECIAL REQUIREMENT (S)

BOP Break Testing Variance (Note: For 5M BOP or less)

- 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 prior to the commencement of any BOP Break Testing operations.
- A full BOP test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOP test will be required.

Delaware Basin Changes to APD/COA for Federal Well



Well Names:

| |
|----------------------------------|
| DL 4 33 Loch Ness Fed Com P1 4H |
| DL 4 33 Loch Ness Fed Com P1 5H |
| DL 4 33 Loch Ness Fed Com P1 6H |
| DL 9 16 Loch Ness Fed Com P1 16H |
| DL 9 16 Loch Ness Fed Com P1 17H |
| DL 9 16 Loch Ness Fed Com P1 18H |

Rig: Pat 245

CVX CONTACT:

Phillipe Salanova

Drilling Engineer

MCBU D&C; New Mexico

psalanova@chevron.com

1400 Smith: 43005

Houston, TX 77002

713-372-1373 (office)

432-257-4140 (mobile)

Summary of Changes to APD Submission

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 perform a "break test" on the BOP when able to finish the next hole section within 21 days of the previous full BOP test. Upon the first nipple up of the pad a full BOP test will be performed. The break test will consist of a 250 psi low / $\geq 5,000$ psi high (10 min ea.) test against the connection that was broken when skidding the rig (between the BOP and the wellhead). Time between full BOP tests will never surpass 21 days. A break test will not be performed on our last production hole section. A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized.

See figure below where skid sequence shows all possible skids between wells where break test may occur. (see underlined skid order number)

| Dagger Lake Loch Ness Pad | | | | | | | |
|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|--|--|----------------|
| Hole Section | DL 4 33 Loch Ness Fed Com P1 4H | DL 4 33 Loch Ness Fed Com P1 5H | DL 4 33 Loch Ness Fed Com P1 6H | DL 4 33 Loch Ness Fed Com P1 16H | DL 4 33 Loch Ness Fed Com P1 17H | DL 4 33 Loch Ness Fed Com P1 18H | Drilling Fluid |
| SURF | 1 | 2 | 3 | 4 | 5 | 6 | Spud Mud |
| INT | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>13</u> | 7 | Brine/OBM |
| PROD | <u>14</u> | <u>15</u> | <u>16</u> | <u>17</u> | <u>18</u> | 8 | OBM |

Delaware Basin Changes to APD/COA for Federal Well



Well Names:

| |
|----------------------------------|
| DL 4 33 Loch Ness Fed Com P1 4H |
| DL 4 33 Loch Ness Fed Com P1 5H |
| DL 4 33 Loch Ness Fed Com P1 6H |
| DL 9 16 Loch Ness Fed Com P1 16H |
| DL 9 16 Loch Ness Fed Com P1 17H |
| DL 9 16 Loch Ness Fed Com P1 18H |

Rig: Pat 245

CVX CONTACT:

Phillipe Salanova

Drilling Engineer

MCBU D&C; New Mexico

psalanova@chevron.com

1400 Smith: 43005

Houston, TX 77002

713-372-1373 (office)

432-257-4140 (mobile)

Summary of Changes to APD Submission

Chevron respectfully requests to vary from the COAs regards to cement wait times for Surface and Intermediate primary cement jobs, as shown:

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** 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.

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Specifically; Chevron requests to wait to 500 psi compressive strength of the tail cement slurries for both the Surface and Int casing. Engineering lab tests as provided by the cementing provider Tests show as follows

| | | | | | | | | | | | | | | | |
|--|-------------|--|-------------|-------------|------------|------------|------------|------------|----------|----------|-----------|-----------|-----------|-----------|-------------|
| | | PERMIAN REGION LAB Cement Lab Report <small>Phone: (620) 262-2244</small> | | | | | | | | | | | | | |
| Test Number: Report Number: | | Test Date: | | | | | | | | | | | | | |
| WELL INFORMATION | | | | | | | | | | | | | | | |
| Operator: Chevron API #: Well Name: Slurry Type: Tail Blend Type: Field Comments: 10SEC: 22 10MIN: 23 10RPM: 34 10RPM@141F: 32 | | County: State: NM Requested By: TVD: MD: District: Odessa | | | | | | | | | | | | | |
| TEST DATA AND SCHEDULE | | | | | | | | | | | | | | | |
| Time To Temp (min): 137 Initial Press (psi): 610 Final Press (psi): 5824 BHST (deg F): 155 BHCT (deg F): 141 Comments: UCA: 80F to 155F in 4hrs. Apply full PSI from start of 5529psi | | Mud Density (lb/gal): 9 Mix Water Density (lb/gal): 8.34 Mix Water Type: Rig Water Surf Temp (deg F): 80 Job Type: Intermediate | | | | | | | | | | | | | |
| SLURRY AND TEST RESULTS | | | | | | | | | | | | | | | |
| Vendor: GCC Slurry: Class 'C' + 0.10% FL-66 + 0.30% CD32A + 0.05% ASA-301 + 0.70% SMS + 0.75% R-21 + 0.005 gps FP-6L + 0.005 lb/sk Static Free | | | | | | | | | | | | | | | |
| Density: 14.8 lb/gal Yield: 1.339 CuFt/sk Mix Water: 6.284 gal/sk (55.76%) Total Mix Liquid: 6.289 gal/sk Fluid Loss: cc/30 min | | Pump Time (50 Bc): Pump Time (70 Bc): 3:50 Pump Time (100 Bc): Free Water (ml): 0 (Tested at 45 ° Angle) | | | | | | | | | | | | | |
| Compressive Strength Rheology (PL=Power Law, BP= Bingham Plastic) | | | | | | | | | | | | | | | |
| Temp | Time | Strength | Type | Temp | 600 | 300 | 200 | 100 | 6 | 3 | n' | k' | Yp | Pv | Best |
| 155 | 4:47 | 50 | UCA | 80 | 102 | 67 | 55 | 42 | 27 | 22 | 0.216 | 0.168 | 29.0 | 40.5 | BP |
| 155 | 5:03 | 250 | UCA | 80 | 102 | 65 | 53 | 40 | 26 | 21 | 0.217 | 0.161 | 27.6 | 39.6 | BP |
| 155 | 5:26 | 500 | UCA | ave | 102 | 66 | 54 | 41 | 27 | 22 | 0.211 | 0.169 | 28.7 | 39.6 | BP |
| 155 | 12 | 1515 | UCA | 141 | 87 | 63 | 45 | 36 | 23 | 18 | 0.226 | 0.138 | 23.3 | 39.3 | BP |

(Note: these numbers will vary slightly based on actual casing set depths)