

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: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER 1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		5. Lease Serial No. 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No.
2. Name of Operator		9. API Well No. 30 015 48012
3a. Address	3b. Phone No. (include area code)	10. Field and Pool, or Exploratory COTTON DRAW;BONE SPRING
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		11. Sec., T. R. M. or Blk. and Survey or Area
14. Distance in miles and direction from nearest town or post office*		12. County or Parish 13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
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	Name (Printed/Typed)	Date
Title		
Approved by (Signature)	Name (Printed/Typed)	Date
Title		
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)

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws 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, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: 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 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., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

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

The BLM connects this information to an evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. 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 Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

1. SHL: NWNE / 247 FNL / 2122 FEL / TWSP: 24S / RANGE: 31E / SECTION: 9 / LAT: 32.238447 / LONG: -103.781094 (TVD: 0 feet, MD: 0 feet)
PPP: NWNE / 100 FNL / 2310 FEL / TWSP: 24S / RANGE: 31E / SECTION: 9 / LAT: 32.23885 / LONG: -103.7817 (TVD: 8740 feet, MD: 8740 feet)
PPP: SWSE / 10 FSL / 2310 FEL / TWSP: 24S / RANGE: 31E / SECTION: 9 / LAT: 32.224607 / LONG: -103.781213 (TVD: 8740 feet, MD: 8740 feet)
BHL: SWSE / 50 FSL / 2310 FEL / TWSP: 24S / RANGE: 31E / SECTION: 16 / LAT: 32.210228 / LONG: -103.781701 (TVD: 8740 feet, MD: 18968 feet)

BLM Point of Contact

Name: Candy Vigil

Title: LIE

Phone: 5752345982

Email: cvigil@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

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

¹ API Number 30 015 48012	² Pool Code 13367 53800	³ Pool Name COTTON DRAW; BONE SPRING SAND DUNES, BONE SPRING
⁴ Property Code 330167	⁵ Property Name SND 9 16 STARR FED COM 002	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	
		⁶ Well Number 1H
		⁹ Elevation 3430'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	24 SOUTH	31 EAST, N.M.P.M.		247'	NORTH	2122'	EAST	EDDY

¹¹ 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
O	16	24 SOUTH	31 EAST, N.M.P.M.		50'	SOUTH	2310'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ <table border="1"> <tr> <td colspan="2">SND 9 16 STARR FED COM 002 NO. 1H WELL</td> </tr> <tr> <td>X= 670.898 Y= 450.861 LAT. 32.238324 N LONG. 103.780609 W NAD 27</td> <td></td> </tr> <tr> <td>X= 712.082 Y= 450.919 LAT. 32.238447 N LONG. 103.781094 W NAD83/2011</td> <td></td> </tr> <tr> <td colspan="2">ELEVATION +3430' NAVD 88</td> </tr> </table> <table border="1"> <tr> <th>PROPOSED FIRST TAKE POINT</th><th>PROPOSED MID-POINT</th></tr> <tr> <td>X= 670.710 Y= 451.006 LAT. 32.238726 N LONG. 103.781215 W NAD 27</td><td>X= 670.737 Y= 445.825 LAT. 32.224484 N LONG. 103.781213 W NAD 27</td></tr> <tr> <td>X= 711.894 Y= 451.065 LAT. 32.238850 N LONG. 103.781700 W NAD83/2011</td><td>X= 711.921 Y= 445.884 LAT. 32.224607 N LONG. 103.781697 W NAD83/2011</td></tr> <tr> <th>PROPOSED LAST TAKE POINT</th><th>PROPOSED BOTTOM HOLE LOCATION</th></tr> <tr> <td>X= 670.762 Y= 440.644 LAT. 32.210242 N LONG. 103.781217 W NAD 27</td><td>X= 670.763 Y= 440.594 LAT. 32.210105 N LONG. 103.781217 W NAD 27</td></tr> <tr> <td>X= 711.947 Y= 440.703 LAT. 32.210366 N LONG. 103.781701 W NAD83/2011</td><td>X= 711.947 Y= 440.653 LAT. 32.210228 N LONG. 103.781701 W NAD83/2011</td></tr> </table> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=451086.48, X=667735.20 B - Y=451121.09, X=673019.77 C - Y=445807.89, X=667766.42 D - Y=445838.37, X=673047.23 E - Y=440527.58, X=667795.37 F - Y=440556.94, X=673072.91</p>	SND 9 16 STARR FED COM 002 NO. 1H WELL		X= 670.898 Y= 450.861 LAT. 32.238324 N LONG. 103.780609 W NAD 27		X= 712.082 Y= 450.919 LAT. 32.238447 N LONG. 103.781094 W NAD83/2011		ELEVATION +3430' NAVD 88		PROPOSED FIRST TAKE POINT	PROPOSED MID-POINT	X= 670.710 Y= 451.006 LAT. 32.238726 N LONG. 103.781215 W NAD 27	X= 670.737 Y= 445.825 LAT. 32.224484 N LONG. 103.781213 W NAD 27	X= 711.894 Y= 451.065 LAT. 32.238850 N LONG. 103.781700 W NAD83/2011	X= 711.921 Y= 445.884 LAT. 32.224607 N LONG. 103.781697 W NAD83/2011	PROPOSED LAST TAKE POINT	PROPOSED BOTTOM HOLE LOCATION	X= 670.762 Y= 440.644 LAT. 32.210242 N LONG. 103.781217 W NAD 27	X= 670.763 Y= 440.594 LAT. 32.210105 N LONG. 103.781217 W NAD 27	X= 711.947 Y= 440.703 LAT. 32.210366 N LONG. 103.781701 W NAD83/2011	X= 711.947 Y= 440.653 LAT. 32.210228 N LONG. 103.781701 W NAD83/2011	<p>Proposed First Take Point 100' FNL, 2310' FEL</p> <p>N 52°15'26" W 237.71'</p> <p>Proposed Mid-Point</p> <p>Proposed Last Take Point 100' FSL, 2310' FEL</p>		¹⁷ OPERATOR CERTIFICATION 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>Kayla McConnell</i> Date: 4/16/2019 Printed Name: Kayla McConnell E-mail Address: gncv@chevron.com
	SND 9 16 STARR FED COM 002 NO. 1H WELL																						
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¹⁸ SURVEYOR CERTIFICATION 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.																							
Date of Survey: 07/12/2018 Signature and Seal of Professional Surveyor: <i>Steven M. Coleman</i> Certificate Number: 22921 Date: 02/21/2019																							

District I
1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Road, Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
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

X Original Operator & OGRID No.: CHEVRON U S A INC 4323
☐ Amended Date: 4/16/19
Reason for Amendment: _____

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 – SND Section 12 CTB

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
SND 9 16 STARR FED COM 002 No. 1H	Pending	UL:B, SEC 9, T24S, R31E	247' FNL, 2122' FEL	5000	0	
SND 9 16 STARR FED COM 002 No. 2H	Pending	UL:B, SEC 9, T24S, R31E	247' FNL, 2097' FEL	5000	0	
SND 9 16 STARR FED COM 002 No. 3H	Pending	UL:B, SEC 9, T24S, R31E	247' FNL, 2072' FEL	5000	0	

Gathering System and Pipeline Notification

These Pad 4 wells will be connected to Chevron's SND Section 12 CTB production facility located in Section 12, T24S – R31E, Eddy County, New Mexico during flowback and production.

Gas produced from the production facility will be dedicated to DCP Operating Company, LP (DCP) and will be connected to DCP's high pressure gathering system located in Eddy County, New Mexico. Produced gas will be processed at one or more of DCP's New Mexico gas plants located in Eddy and Lea Counties. Chevron periodically provides DCP estimated production forecasts for wells that are scheduled to be drilled in the foreseeable future. In addition, Chevron and DCP have periodic conference calls to discuss changes to the forecasts.

Flowback Strategy

After the fracture treatment/completion operations, wells will be turned to permanent production facilities. Wells will have temporary sand catchers (separators) 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 with Enterprise'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 and trucked from condensate tanks
 - Plants are expensive and uneconomical to operate when gas volume declines.
 - Any residue gas that results in the future may be flared.

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Chevron USA Incorporated
LEASE NO.:	NMNM063757
LOCATION:	Section 9, T.24 S., R.31 E., NMP
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	SND 9 16 Starr Fed Com 002 1H
SURFACE HOLE FOOTAGE:	247'/N & 2122'/E
BOTTOM HOLE FOOTAGE:	50'/S & 2310'/E

WELL NAME & NO.:	SND 9 16 STARR FED COM 002 2H
SURFACE HOLE FOOTAGE:	247'/N & 2097'/E
BOTTOM HOLE FOOTAGE:	50'/S & 1430'/E

WELL NAME & NO.:	SND 9 16 STARR FED COM 002 3H
SURFACE HOLE FOOTAGE:	247'/N & 2072'/E
BOTTOM HOLE FOOTAGE:	50'/S & 550'/E

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input type="radio"/> None	<input type="radio"/> Secretary	<input checked="" 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 type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **800** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - 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 **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.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

Option 1 (Single Stage):

- 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.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - b. Second stage above DV tool:
 - 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.
- ❖ In **R111 Potash Areas** if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

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.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **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.
- 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.

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

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

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 Onshore Oil and Gas Order No. 2 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 Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
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 when specified), 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 plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 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 Onshore Order No. 2.

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.

NMK03182020

Delaware Basin Changes to APD for Federal Well



CHEVRON CONTACT:

TONY BACON
DRILLING ENGINEER
1400 SMITH ST.
HOUSTON, TX 77002

DESK: HOU140/43-014
CELL: 406-989-0415
EMAIL: TONYBACON@CHEVRON.COM

Summary of Changes to MPD Submission

BOP Equipment – CoFlex Hose (Section 3 of 9 Point Drilling Plan in MPD)

BOP Equipment – CoFlex Hose

Summary: Variance to use a CoFlex hose between BOP and choke manifold not requested in original submittal.

As Defined in MPD:	As Planned on Well:
Variance to use CoFlex hose not requested.	Chevron requests a variance to use a CoFlex hose with a <u>metal protective covering</u> that will be utilized between the BOP and Choke manifold. Please refer to the attached testing and specification documents.

CONTITECH RUBBER
Industrial Kft.

No:QC-DB- 231/ 2014
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ContiTech

Hose Data Sheet

CRI Order No.	538332
Customer	ContiTech Oil & Marine Corp.
Customer Order No	4500412631 CBC544771, CBC544769, CBC544767, CBC544763, CBC544768, CBC544745, CBC544744, CBC544746
Item No.	1
Hose Type	Flexible Hose
Standard	API SPEC 16 C
Inside dia in inches	3
Length	45 ft
Type of coupling one end	FLANGE 4.1/16" 10KPSI API SPEC 17D SV SWIVEL FLANGE SOURC/W BX155 ST/ST INLAID R.GR.
Type of coupling other end	FLANGE 4.1/16" 10KPSI API SPEC 17D SV SWIVEL FLANGE SOURC/W BX155 ST/ST INLAID R.GR.
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety Factor	2,25
Marking	USUAL PHOENIX
Cover	NOT FIRE RESISTANT
Outside protection	St. steel outer wrap
Internal stripwound tube	No
Lining	OIL + GAS RESISTANT SOUR
Safety clamp	Yes
Lifting collar	Yes
Element C	Yes
Safety chain	Yes
Safety wire rope	No
Max.design temperature [°C]	100
Min.design temperature [°C]	-20
Min. Bend Radius operating [m]	0,90
Min. Bend Radius storage [m]	0,90
Electrical continuity	The Hose is electrically continuous
Type of packing	WOODEN CRATE ISPM-15

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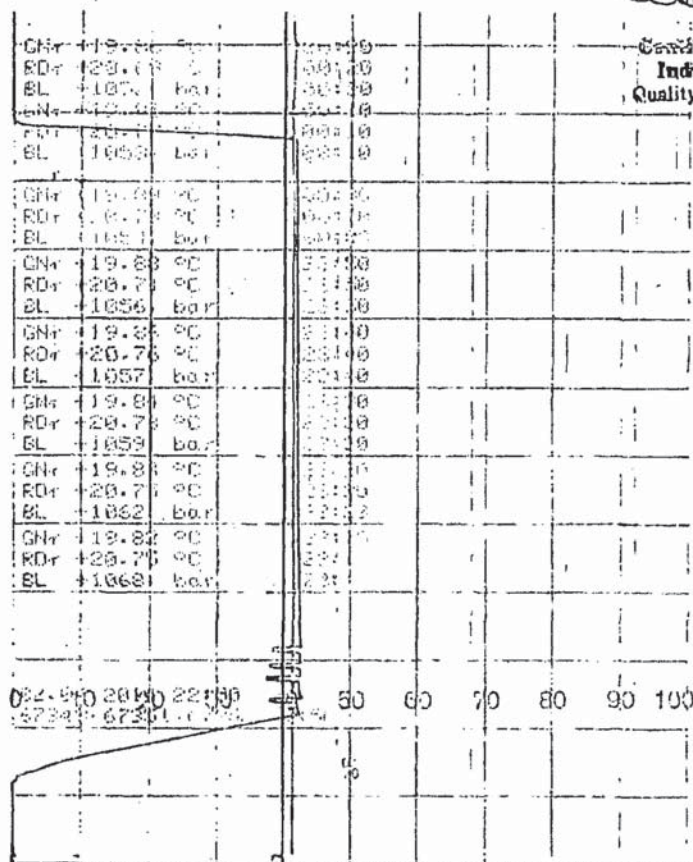


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ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE

No: 594, 596, 597

Page: 1 / 1



BLOWOUT PREVENTOR SCHEMATIC

Minimum Requirements

OPERATION : Intermediate Hole Section

Minimum System Pressure Rating : 5,000 psi

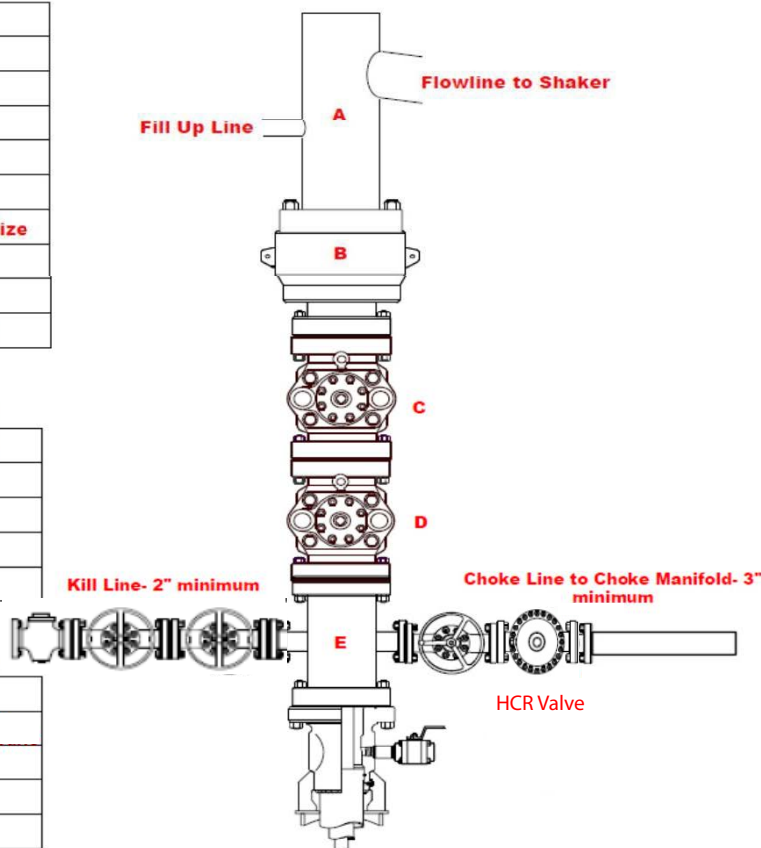
SIZE	PRESSURE	DESCRIPTION
A	N/A	Bell Nipple
B	13 5/8" 5,000 psi	Annular
C	13 5/8" 5,000 psi	Pipe Ram
D	13 5/8" 5,000 psi	Blind Ram
E	13 5/8" 5,000 psi	Mud Cross
F		
DSA	As required for each hole size	
C-Sec		
B-Sec	13-5/8" 5K x 11" 5K	
A-Sec	13-3/8" SOW x 13-5/8" 5K	

Kill Line

SIZE	PRESSURE	DESCRIPTION
2"	5,000 psi	Gate Valve
2"	5,000 psi	Gate Valve
2"	5,000 psi	Check Valve

Choke Line

SIZE	PRESSURE	DESCRIPTION
3"	5,000 psi	Gate Valve
3"	5,000 psi	HCR Valve



Installation Checklist

The following item must be verified and checked off prior to pressure testing of 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 through flow.
- ☐ The kill line and choke line will be straight unless turns use tee blocks or are targeted with running tress, 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 installed on all manual valves on the choke line 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 safety valve and subs to fit all drill string connections in use.

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

Representative: _____

Date: _____

CHOKE MANIFOLD SCHEMATIC

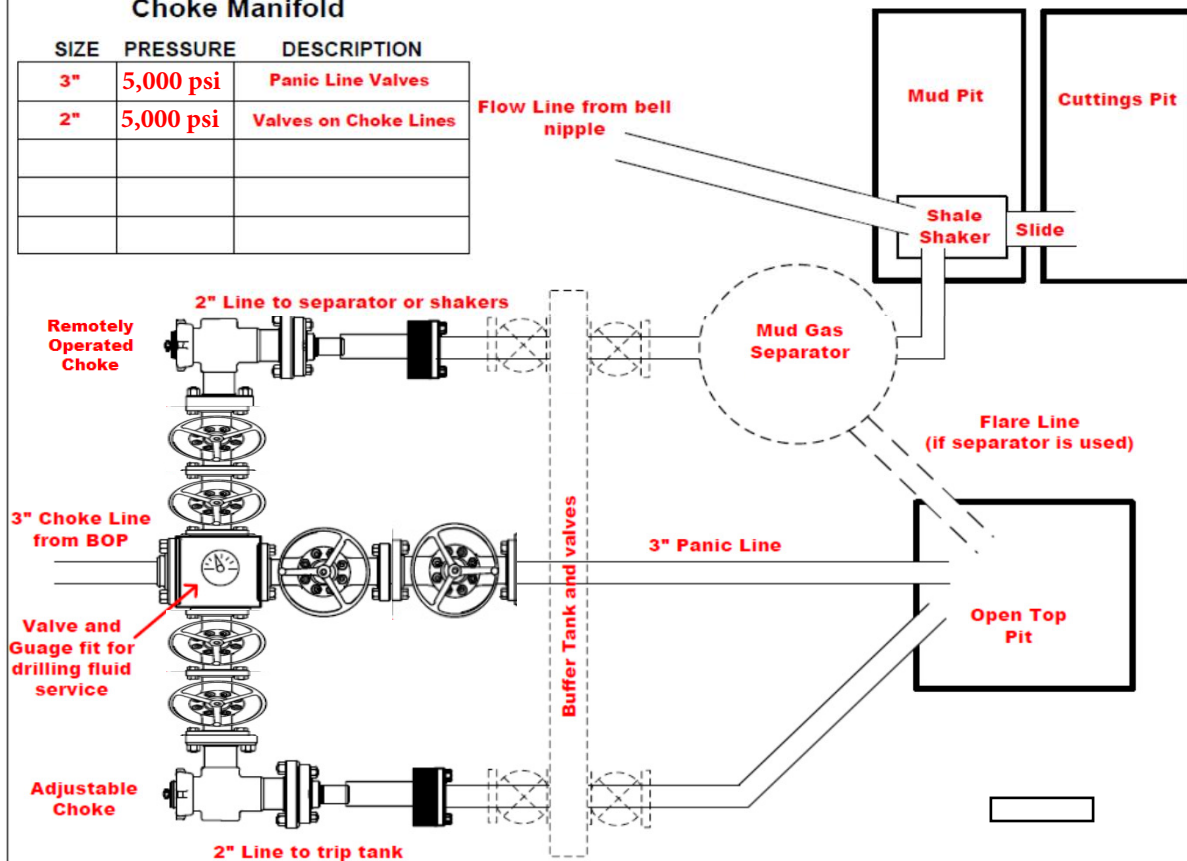
Minimum Requirements

OPERATION : Intermediate Hole Section

Minimum System
Pressure Rating : 5,000 psi

Choke Manifold

SIZE	PRESSURE	DESCRIPTION
3"	5,000 psi	Panic Line Valves
2"	5,000 psi	Valves on Choke Lines



Installation Checklist

The following item must be verified and checked off prior to pressure testing of 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.
- ☐ Adjustable Chokes may be Remotely Operated but will have backup hand pump for hydraulic actuation in case of loss of rig air pressure or power.
- ☐ Flare and Panic lines will terminate a minimum of 150' from the wellhead. These lines will terminate at a location as per approved APD.
- ☐ The choke line, kill line, and choke manifold lines will be straight unless turns use tee blocks or are targeted with running tress, and will be anchored to prevent whip and reduce vibration. This excludes the line between mud gas separator and shale shaker.
- ☐ All valves (except chokes) on choke line, kill line, and choke manifold will be full opening and will allow straight through flow. This excludes any valves between mud gas separator and shale shakers.
- ☐ All manual valves will have hand wheels installed.
- ☐ If used, flare system will have effective method for ignition
- ☐ All connections will be flanged, welded, or clamped (no threaded connections like hammer unions)
- ☐ If buffer tank is used, a valve will be used on all lines at any entry or exit point to or from the buffer tank.

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

Representative: _____

Date: _____

BLOWOUT PREVENTOR SCHEMATIC

Minimum Requirements

OPERATION : Production Hole Section

Minimum System Pressure Rating : 10,000 psi

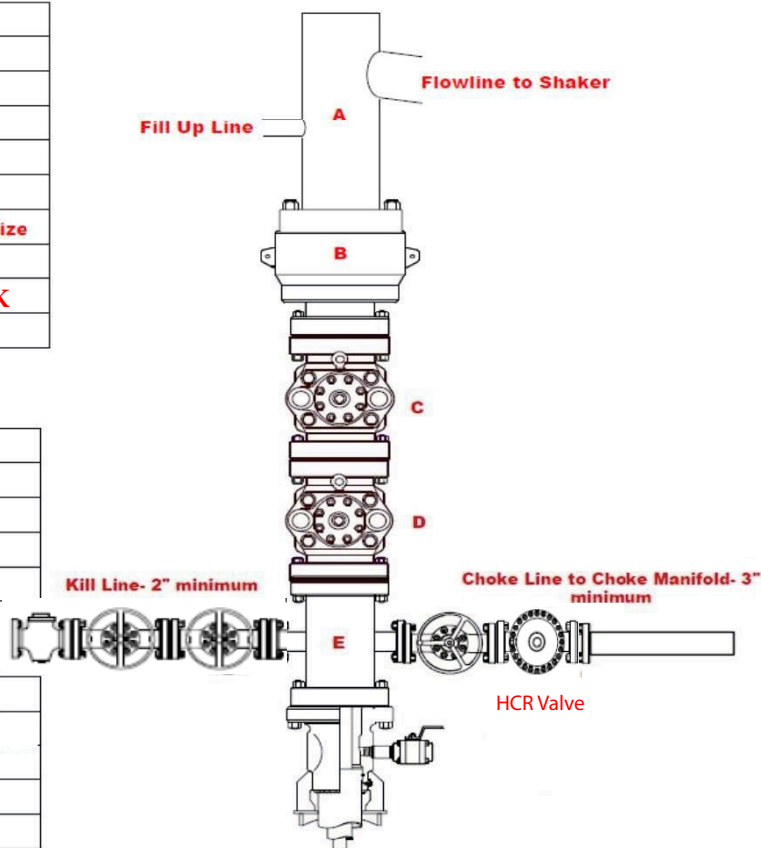
SIZE	PRESSURE	DESCRIPTION
A	N/A	Bell Nipple
B	13 5/8"	10,000 psi Annular
C	13 5/8"	10,000 psi Pipe Ram
D	13 5/8"	10,000 psi Blind Ram
E	13 5/8"	10,000 psi Mud Cross
F		
DSA	As required for each hole size	
C-Sec	13-5/8" 10K	
B-Sec	13-5/8" 10K x 13-5/8" 5K	
A-Sec	13-3/8" SOW x 13-5/8" 5K	

Kill Line

SIZE	PRESSURE	DESCRIPTION
2"	10,000 psi	Gate Valve
2"	10,000 psi	Gate Valve
2"	10,000 psi	Check Valve

Choke Line

SIZE	PRESSURE	DESCRIPTION
3"	10,000 psi	Gate Valve
3"	10,000 psi	HCR Valve



Installation Checklist

The following item must be verified and checked off prior to pressure testing of 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 through flow.
- ☐ The kill line and choke line will be straight unless turns use tee blocks or are targeted with running tress, 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 installed on all manual valves on the choke line 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 safety valve and subs to fit all drill string connections in use.

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

Representative: _____

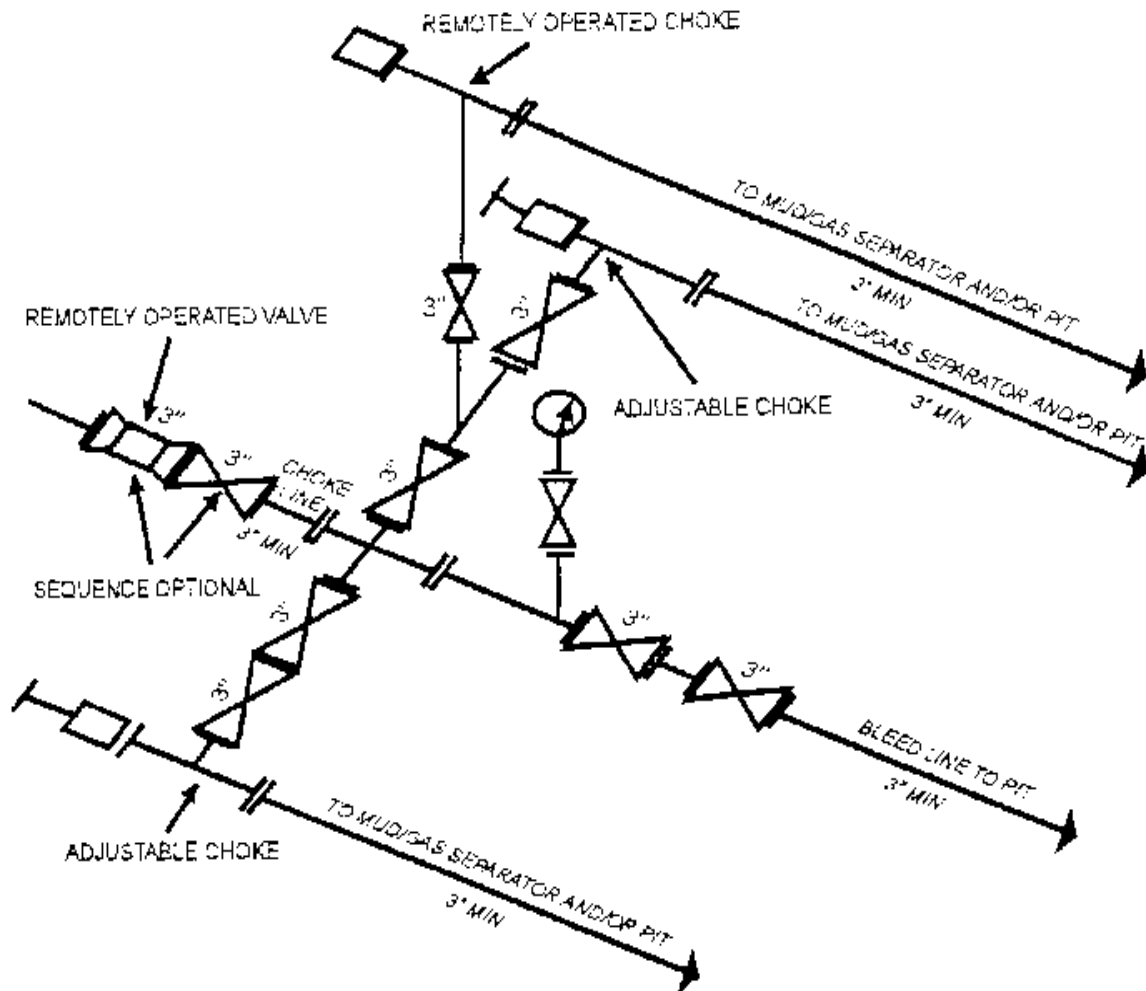
Date: _____

10M Choke Manifold SCHEMATIC

Minimum Requirements

OPERATION: Production Hole Sections

Minimum System Pressure Rating: 10,000 PSI



10M AND 15M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
 [53 FR 49661, Dec. 9, 1988 and 54 FR 39528, Sept. 27, 1989]

BOPE Testing

Minimum Requirements

Closing Unit and Accumulator Checklist

The following item must be performed, verified, and checked off at least once per well prior to low/high pressure testing of BOP equipment. This must be repeated after 6 months on the same well.

- ☐ Precharge pressure for each accumulator bottle must fall within the range below. Bottles may be further charged with nitrogen gas only. **Tested precharge pressures must be recorded for each individual bottle and kept on location through the end of the well. Test will be conducted prior to connecting unit to BOP stack.**

Check one that applies	Accumulator working pressure rating	Minimum acceptable operating pressure	Desired precharge pressure	Maximum acceptable precharge pressure	Minimum acceptable precharge pressure
<input type="checkbox"/>	1500 psi	1500 psi	750 psi	800 psi	700 psi
<input type="checkbox"/>	2000 psi	2000 psi	1000 psi	1100 psi	900 psi
<input type="checkbox"/>	3000 psi	3000 psi	1000 psi	1100 psi	900 psi

- ☐ Accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if used), close all rams, close the annular preventer, and retain a minimum of 200 psi above the maximum acceptable precharge pressure (see table above) on the closing manifold without the use of the closing pumps. **This test will be performed with test pressure recorded and kept on location through the end of the well**
- ☐ Accumulator fluid reservoir will be double the usable fluid volume of the accumulator system capacity. Fluid level will be maintained at manufacturer's recommendations. **Usable fluid volume will be recorded. Reservoir capacity will be recorded. Reservoir fluid level will be recorded along with manufacturer's recommendation. All will be kept on location through the end of the well.**
- ☐ Closing unit system will have two independent power sources (not counting accumulator bottles) to close the preventers.
- ☐ Power for the closing unit pumps will be available to the unit at all times so that the pumps will automatically start when the closing valve manifold pressure decreases to the pre-set level. **It is recommended to check that air line to accumulator pump is "ON" during each tour change.**
- ☐ With accumulator bottles isolated, closing unit will be capable of opening the hydraulically-operated choke line valve (if used) plus close the annular preventer on the smallest size drill pipe within 2 minutes and obtain a minimum of 200 psi above maximum acceptable precharge pressure (see table above) on the closing manifold. **Test pressure and closing time will be recorded and kept on location through the end of the well.**
- ☐ Master controls for the BOPE system will be located at the accumulator and will be capable of opening and closing all preventer and the choke line valve (if used)
- ☐ Remote controls for the BOPE system will be readily accessible (clear path) to the driller and located on the rig floor (not in the dog house). Remote controls will be capable of closing all preventers.
- ☐ Record accumulator tests in drilling reports and IADC sheet

BOPE Test Checklist

The following item must be checked off prior to beginning test

- ☐ BLM will be given at least 4 hour notice prior to beginning BOPE testing
- ☐ Valve on casing head below test plug will be open
- ☐ Test will be performed using clear water.

The following item must be performed during the BOPE testing and then checked off

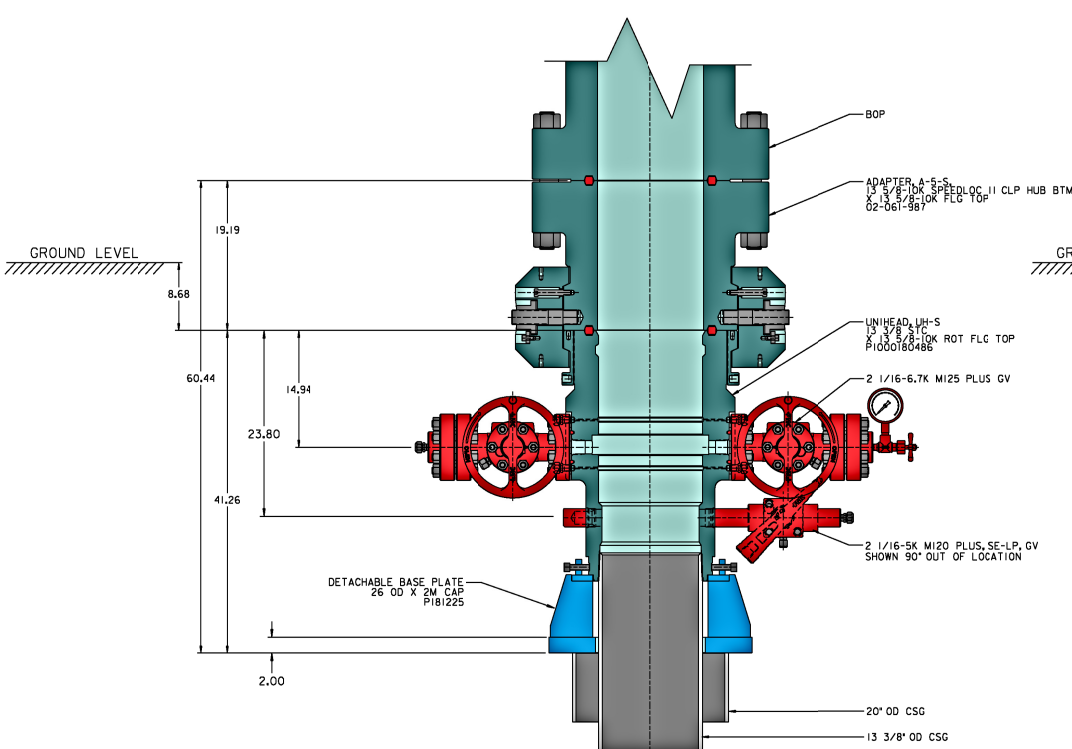
- ☐ BOPE will be pressure tested when initially installed, whenever any seal subject to test pressure is broken, following related repairs, and at a minimum of 30 days intervals. **Test pressure and times will be recorded by a 3rd party on a test chart and kept on location through the end of the well.**
- ☐ Test plug will be used
- ☐ Ram type preventer and all related well control equipment will be tested to 250 psi (low) and 5,000 psi (high).
- ☐ Annular type preventer will be tested to 250 psi (low) and 3,500 psi (high).
- ☐ Valves will be tested from the working pressure side with all down stream valves open. The check valve will be held open to test the kill line valve(s)
- ☐ Each pressure test will be held for 10 minutes with no allowable leak off.
- ☐ Master controls and remote controls to the closing unit (accumulator) must be function tested as part of the BOP testing
- ☐ Record BOP tests and pressures in drilling reports and IADC sheet

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer along with any/all BOP and accumulator test charts and reports from 3rd parties.

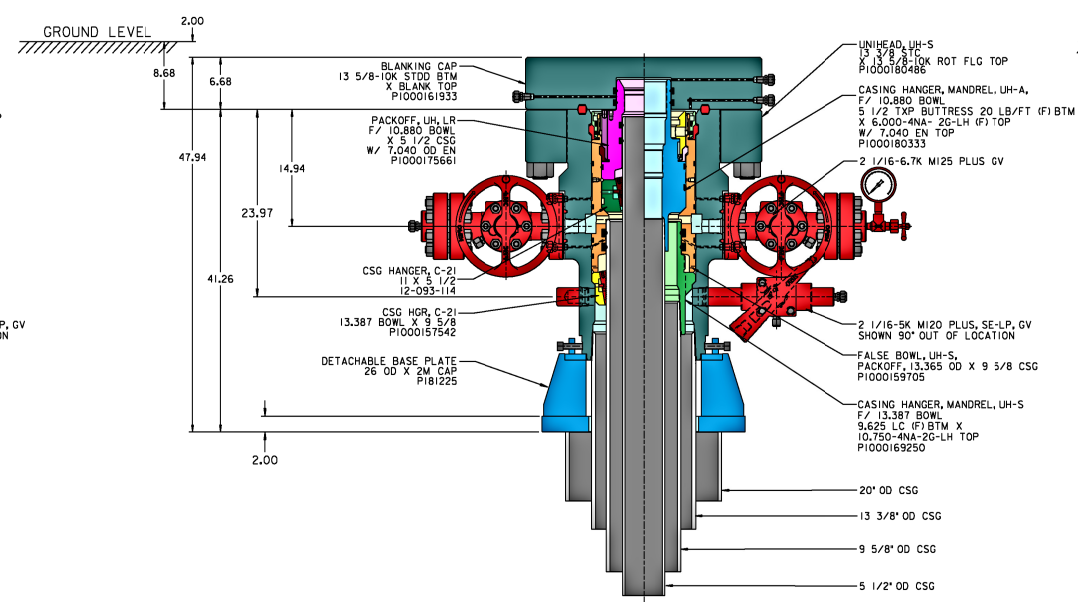
Wellname: _____

Representative: _____

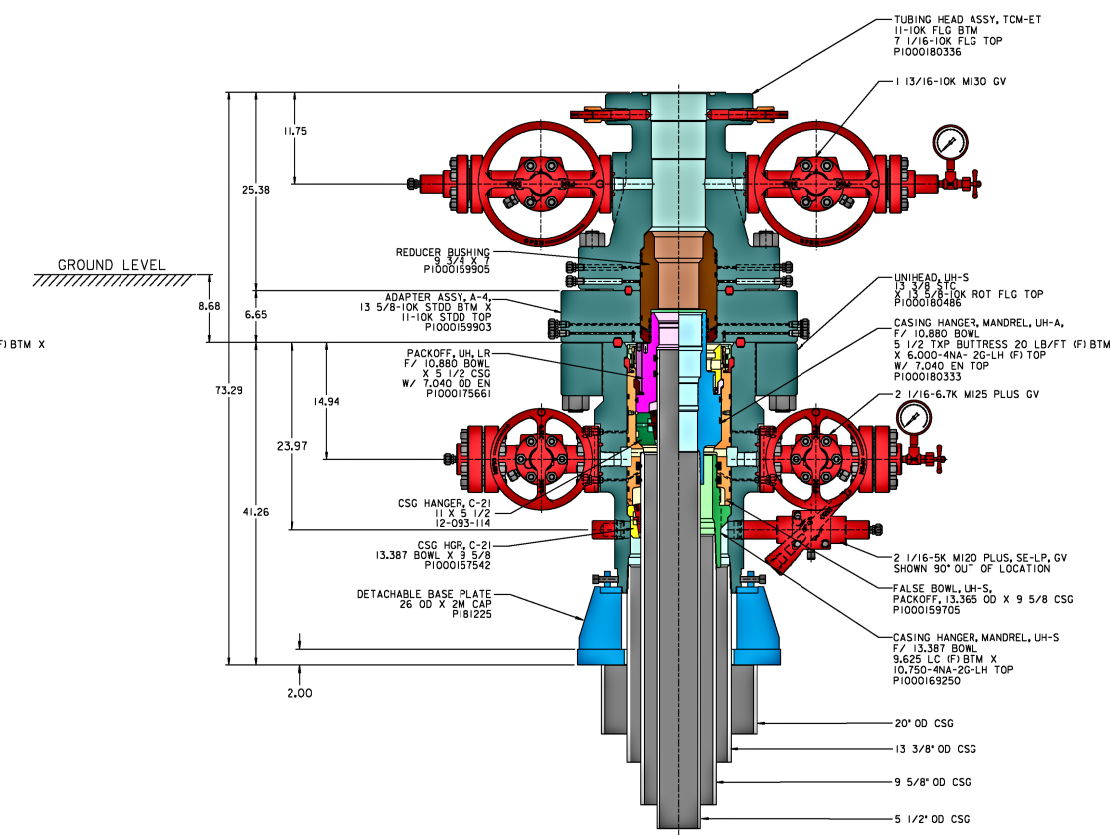
Date: _____



DRILLING MODE



CAPPING MODE



COMPLETION MODE

6650 PSI UH-S
CHEVRON
20 X 13 3/8 X 9 5/8 X 5 1/2

PRIVATE AND CONFIDENTIAL		DESCRIPTION		DRAWN BY: T. PHAM		DATE: 03-07-17		TechnipFMC	
UNLESS OTHERWISE AGREED TO IN WRITING, THIS DOCUMENT AND ALL THE INFORMATION CONTAINED HEREIN ARE THE CONFIDENTIAL AND EXCLUSIVE PROPERTY OF TECHNIPFMC AND MAY NOT BE REPRODUCED, USED, DISCLOSED, OR MADE PUBLIC IN ANY MANNER PRIOR TO EXPRESS WRITTEN AUTHORIZATION BY TECHNIPFMC. THIS DOCUMENT IS ACCEPTED BY RECIPIENT PURSUANT TO AGREEMENT TO THE FOREGOING, AND SHALL BE RETURNED UPON DEMAND.		SURFACE WELLHEAD LAYOUT, UH-S, 20 X 13 3/8 X 9 5/8 X 5 1/2 CSG PROGRAM, CHEVRON, ODESSA		DRAFTING CHECK: Z. MARQUEZ		DATE: 03-07-17		SHEET SIZE: NA	
MANUFACTURER AGREES THAT ARTICLES MADE IN ACCORDANCE WITH THIS DOCUMENT SHALL BE CONSIDERED TECHNIPFMC'S DESIGN AND THAT IDENTICAL ARTICLES OR PARTS THEREOF SHALL NOT BE MANUFACTURED FOR THE USE OR SALE BY MANUFACTURER OR ANY OTHER PERSON WITHOUT THE PRIOR EXPRESS WRITTEN AUTHORIZATION BY TECHNIPFMC.				DESIGN REVIEW: M. HUSSEINI		DATE: 08-25-17		ECON NUMBER: 1291374	
				MANUFACTURING APPROVAL:		DATE: 08-25-17		DRAWING NUMBER: DM100233441	
				APPROVED BY: J. GARZA		DATE: 08-25-17		DRAWING NUMBER: DM100233441	

ONSHORE ORDER NO. 1
Chevron
SND 10 15 SCULL FED COM 001 1H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 1

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

FORMATION	SUB-SEA TVD	KBTVD	MD
Rustler	2630	800	800
Castile	915	2,515	2,515
Lamar	-1145	4,575	4,575
Bell Canyon	-1196	4,626	4,626
Cherry Canyon	-2050	5,480	5,480
Brushy Canyon	-3330	6,760	6,760
Avalon	-5013	8,443	8,443
Lateral TD (Lower Avalon)	-5361	8,791	19,059
First Bone Spring	-6065	9,495	

2. ESTIMATED DEPTH OF WATER, OIL, GAS & OTHER MINERAL BEARING FORMATIONS

The estimated depths at which the top and bottom of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Deepest Expected Base of Fresh Water		400
Water	Cherry Canyon	5,480
Oil/Gas	Brushy Canyon	6,760
Oil/Gas	Avalon	8,443
Oil/Gas	First Bone Spring	9,495

All shows of fresh water and minerals will be reported and protected.

3. BOP EQUIPMENT

Chevron will have a minimum of a 5,000 psi rig stack (see proposed schematic) for drill out below surface casing. The stack will be tested as specified in the attached testing requirements. Batch drilling of the surface, intermediate, and production will take place. A full BOP test will be performed per hole section, unless approval from BLM is received otherwise. Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test will be conducted by a third party.

Chevron 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.

ONSHORE ORDER NO. 1

Chevron

SND 10 15 SCULL FED COM 001 1H

Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE

DRILLING PLAN

PAGE: 2

4. CASING PROGRAM

a. The proposed casing program will be as follows:

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	800'	17-1/2"	13-3/8"	54.5 #	J-55	STC	New
Intermediate	0'	4,550'	12-1/4"	9-5/8"	43.5 #	L-80	LTC	New
Production	0'	19,059'	8-1/2"	5-1/2"	20.0 #	P-110	TXP BTC	New

b. Casing design subject to revision based on geologic conditions encountered.

c. ***A "Worst Case" casing design for wells in a particular area is used below to calculate the Casing Safety Factors. If for any reason the casing design for a particular well requires setting casing deeper than the following "worst case" design, then the Casing Safety Factors will be recalculated & sent to the BLM prior to drilling.

d. Chevron will fill casing at a minimum of every 20 jts (840') while running for intermediate and production casing in order to maintain collapse SF.

SF Calculations based on the following "Worst Case" casing design:

Surface Casing:	800'	TVD
Intermediate Casing:	4,550'	TVD
Production Casing:	19,191 ftMD at 90 deg inc	

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Surface	1.80	3.12	3.17	2.26
Intermediate	1.23	1.28	1.60	1.50
Production	1.15	1.39	2.09	1.38

The following worst case load cases were considered for calculation of the above Min. Safety Factors:

Burst Design	Surf	Int	Prod
Pressure Test- Surface, Int, Prod Csg P external: Mud weight above TOC, PP below P internal: Test psi + next section heaviest mud in csg	X	X	X
Displace to Gas- Surf Csg P external: Mud weight above TOC, PP below P internal: Dry Gas from Next Csg Point	X		
Gas over mud (60/40) - Int Csg P external: Mud weight above TOC, PP below P internal: 60% gas over 40% mud from hole TD PP		X	
Stimulation (Frac) Pressures- Prod Csg P external: Mud weight above TOC, PP below P internal: Max inj pressure w/ heaviest injected fluid			X
Tubing leak- Prod Csg (packer at KOP) P external: Mud weight above TOC, PP below P internal: Leak just below surf, 8.45 ppg packer fluid			X
Collapse Design	Surf	Int	Prod
Full Evacuation P external: Mud weight gradient P internal: none	X	X	X
Cementing- Surf, Int, Prod Csg P external: Wet cement P internal: displacement fluid - water	X	X	X
Tension Design	Surf	Int	Prod
100k lb overpull	X	X	X

ONSHORE ORDER NO. 1
Chevron
SND 10 15 SCULL FED COM 001 1H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 3

5. CEMENTING PROGRAM

Slurry	Type	Top	Bottom	Weight	Yield	%Excess	Sacks	Water	Volume	Additives
<u>Surface</u>				(ppg)	(cu ft/sk)	Open Hole		gal/sk	bbls	
Tail	Class C	0'	800'	14.8	1.34	100	1076	6.40	257	Extender, Antifoam, Retarder
<u>Intermediate Csg</u>										
Lead	Class C	0'	3,550'	11.9	2.56	30	564	14.66	257	Extender, Antifoam, Retarder, Viscosifier
Tail	Class C	3,550'	4,550'	14.8	1.33	30	334	6.38	79	Extender, Antifoam, Retarder, Viscosifier
<u>Production</u>										
Lead 1	Class C	0'	8,500'	11.9	2.46	10	870	14.05	382	Extender, Antifoam, Retarder, Viscosifier
Lead 2	Class C	8,500'	18,059'	13.2	1.85	10	1301	9.87	429	Extender, Antifoam, Retarder, Viscosifier
Tail	Acid Sol Class H	18,059'	19,059'	15	2.19	10	120	9.54	47	Extender, Antifoam, Retarder, Viscosifier

1. Final cement volumes will be determined by caliper.
2. Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
3. Production casing will have one solid body type centralizer on every joint in the lateral, then every other joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing and surface.

ONSHORE ORDER NO. 1
Chevron
SND 10 15 SCULL FED COM 001 1H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 4

6. MUD PROGRAM

From	To	Type	Weight	Viscosity	Filtrate
0'	800'	Spud Mud	8.3 - 8.9	28-30	N/C
800'	4,550'	Brine	9.0 - 10.1	28-31	15-25
4,550'	19,059'	OBM	8.3 - 9.5	10-15	15-25

A closed system will be used consisting of above ground steel tanks. 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. 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.

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.

A weighting agent and lost circulating material (LCM) will be onsite to mitigate pressure or lost circulation as hole conditions dictate.

7. TESTING, LOGGING, AND CORING

The anticipated type and amount of testing, logging, and coring are as follows:

- Drill stem tests are not planned.
- The logging program will be as follows:

TYPE	Logs	Interval	Timing
Mudlogs	2 man mudlog	Surface casing shoe through prod hole TD	While drilling or circulating
LWD	MWD Gamma	Int. and Prod. Hole	While Drilling

- Conventional whole core samples are not planned.
- A directional survey will be run.

8. ABNORMAL PRESSURES AND HYDROGEN SULFIDE

- No abnormal pressure or temperatures are expected. Estimated BHP is: 4,343 psi
- Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered

For the latest performance data, always visit our website: www.tenaris.com

June 17 2015



Connection: TenarisXP™ BTC
Casing/Tubing: CAS
Coupling Option: REGULAR

Size: 5.500 in.
Wall: 0.361 in.
Weight: 20.00 lbs/ft
Grade: P110-IC
Min. Wall Thickness: 87.5 %



PIPE BODY DATA

GEOMETRY			
Nominal OD	5.500 in.	Nominal Weight	20.00 lbs/ft
Nominal ID	4.778 in.	Wall Thickness	0.361 in.
Plain End Weight	19.83 lbs/ft	Standard Drift Diameter	4.653 in.
		Special Drift Diameter	N/A

PERFORMANCE

Body Yield Strength	641 x 1000 lbs	Internal Yield	12630 psi
Collapse	12100 psi	SMYS	110000 psi

TENARISXP™ BTC CONNECTION DATA

GEOMETRY			
Connection OD	6.100 in.	Coupling Length	9.450 in.
Critical Section Area	5.828 sq. in.	Threads per in.	5.00
		Connection ID	4.766 in.
		Make-Up Loss	4.204 in.

PERFORMANCE

Tension Efficiency	100 %	Joint Yield Strength	641 x 1000 lbs
Structural Compression Efficiency	100 %	Structural Compression Strength	641 x 1000 lbs
External Pressure Capacity	12100 psi	Internal Pressure Capacity ⁽¹⁾	12630 psi
		Structural Bending ⁽²⁾	92 °/100 ft

ESTIMATED MAKE-UP TORQUES⁽³⁾

Minimum	11270 ft-lbs	Optimum	12520 ft-lbs
		Maximum	13770 ft-lbs

OPERATIONAL LIMIT TORQUES

Operating Torque	21500 ft-lbs	Yield Torque	23900 ft-lbs
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BLANKING DIMENSIONS

Blanking Dimensions

(1) Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per section 10.3 API 5C3 / ISO 10400 - 2007.

(2) Structural rating, pure bending to yield (i.e no other loads applied)

(3) Torque values calculated for API Modified thread compounds with Friction Factor=1. For other thread compounds please contact us at licensees@oilfield.tenaris.com. Torque values may be further reviewed.

For additional information, please contact us at contact-tenarishydril@tenaris.com



Wed Jun 17 2015

Casing and Tubing Performance Data

PIPE BODY DATA

GEOMETRY

Outside Diameter	13.375 in	Wall Thickness	0.380 in	API Drift Diameter	12.459 in
Nominal Weight	54.50 lbs/ft	Nominal ID	12.615 in	Alternative Drift Diameter	n.a.
Plain End Weight	52.79 lbs/ft	Nominal cross section	15.513 in		

PERFORMANCE

Steel Grade	J55	Minimum Yield	55,000 psi	Minimum Ultimate	75,000 psi
Tension Yield	853,000 in	Internal Pressure Yield	2,730 psi	Collapse Pressure	1,130 psi
Available Seamless	Yes	Available Welded	Yes		

CONNECTION DATA

TYPE: STC

GEOMETRY

Coupling Reg OD	14.375 in	Threads per in	8	Thread turns make up	3.5
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PERFORMANCE

Steel Grade	J55	Coupling Min Yield	55,000 psi	Coupling Min Ultimate	75,000 psi
Joint Strength	514,000 lbs			Internal Pressure Resistance	2,730 psi



Wed Jun 17 2015

Casing and Tubing Performance Data

PIPE BODY DATA

GEOMETRY

Outside Diameter	9.625 in	Wall Thickness	0.435 in	API Drift Diameter	8.599 in
Nominal Weight	43.50 lbs/ft	Nominal ID	8.755 in	Alternative Drift Diameter	8.625 in
Plain End Weight	42.73 lbs/ft	Nominal cross section	12.559 in		

PERFORMANCE

Steel Grade	L80	Minimum Yield	80,000 psi	Minimum Ultimate	95,000 psi
Tension Yield	1,005,000 in	Internal Pressure Yield	6,330 psi	Collapse Pressure	3,810 psi
Available Seamless	Yes	Available Welded	No		

CONNECTION DATA

TYPE: LTC

GEOMETRY

Coupling Reg OD	10.625 in	Threads per in	8	Thread turns make up	3.5
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PERFORMANCE

Steel Grade	L80	Coupling Min Yield	80,000 psi	Coupling Min Ultimate	95,000 psi
Joint Strength	813,000 lbs			Internal Pressure Resistance	6,330 psi



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:

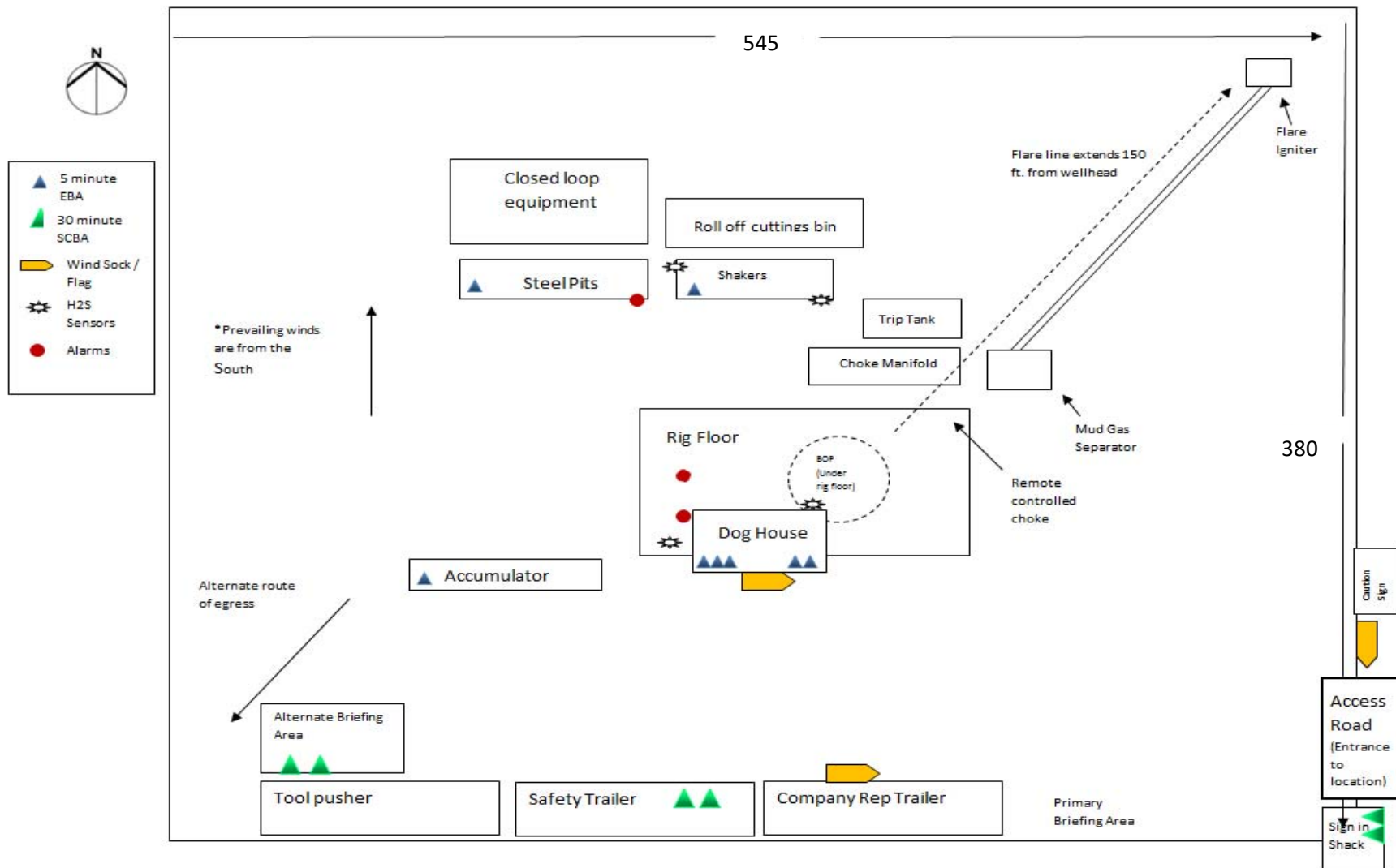
- 1. Use of a degasser
- 2. Use of a zinc based mud treatment
- 3. Increasing mud weight

Public Safety - Emergency Assistance

<u>Agency</u>	<u>Telephone Number</u>
Eddy County Sheriff's Department	575-887-7551
Carlsbad Fire Department	575-885-3125
Carlsbad Medical Center	575-887-4100
Eddy County Emergency Management	575-885-3581
Poison Control Center	800-222-1222



H₂S Preparedness and Contingency Plan Summary



Chevron U.S.A. Inc. (CUSA)
SUNDRY ATTACHMENT: SPUDDER RIG

DATA OPERATOR NAME: Chevron U.S.A. Inc.

1. SUMMARY OF REQUEST:

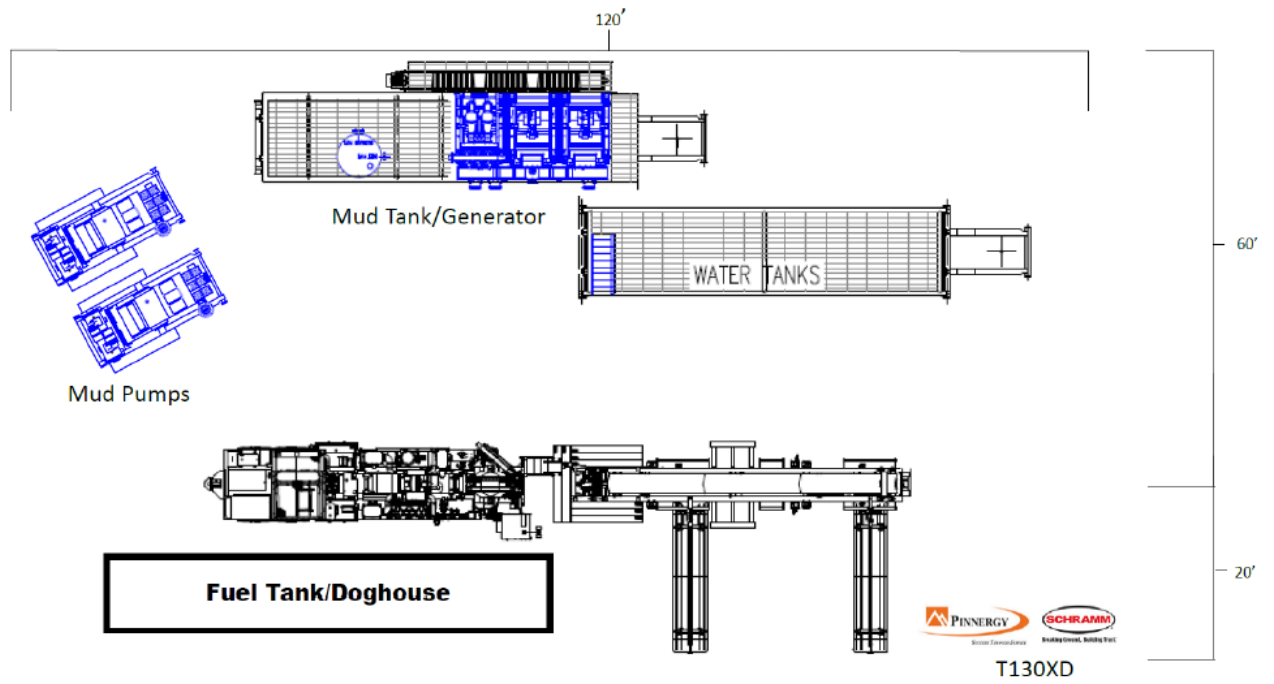
CUSA respectfully requests approval for the following operations for the surface hole in the drill plan:

1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations

1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run casing and cement following all the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and then tested offline after the WOC time has been reached.
3. An abandonment cap at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on one wing-valve.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. Spudder rig operations are expected to take 2-3 days per well on the pad.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nipped up and tested on the wellhead before drilling operations resume on each well.
 - a. The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
7. CUSA will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, CUSA will secure the wellhead area by placing a guard rail around the cellar area.

Surface Rig Layout



Schlumberger



Chevron SND 9 16 Belle Starr Fed Com 002 1H Rev0 kFc 04Dec18 Proposal Geodetic Report (Def Plan)

Report Date:	December 04, 2018 - 05:49 PM	Survey / DLS Computation:	Minimum Curvature / Lubinski
Client:	Chevron	Vertical Section Azimuth:	180.753 ° (Grid North)
Field:	NM Eddy County (NAD 27)	Vertical Section Origin:	0.000 ft, 0.000 ft
Structure / Slot:	Chevron SND 9 16 Belle Starr Fed Com 002 Pad / 1H	TVD Reference Datum:	RKB = 28ft
Well:	SND 9 16 Belle Starr Fed Com 002 1H	TVD Reference Elevation:	3458.000 ft above MSL
Borehole:	SND 9 16 Belle Starr Fed Com 002 1H	Seabed / Ground Elevation:	3430.000 ft above MSL
UWI / API#:	Unknown / Unknown	Magnetic Declination:	6.838 °
Survey Name:	Chevron SND 9 16 Belle Starr Fed Com 002 1H Rev0 kFc 04Dec18	Total Gravity Field Strength:	998.4414mgN (9.80665 Based)
Survey Date:	December 04, 2018	Gravity Model:	GARM
Tort / AHD / DDI / ERD Ratio:	106.000 ° / 10725.035 ft / 6.392 / 1.227	Total Magnetic Field Strength:	47963.823 nT
Coordinate Reference System:	NAD27 New Mexico State Plane, Eastern Zone, US Feet	Magnetic Dip Angle:	59.958 °
Location Lat / Long:	N 32° 14' 17.97041", W 103° 46' 50.19351"	Declination Date:	December 04, 2018
Location Grid N/E Y/X:	N 450861.000 ftUS, E 670898.000 ftUS	Magnetic Declination Model:	HDGM 2018
CRS Grid Convergence Angle:	0.2949 °	North Reference:	Grid North
Grid Scale Factor:	0.99994254	Grid Convergence Used:	0.2949 °
Version / Patch:	2.10.753.0	Total Corr Mag North->Grid North:	6.5434 °
		Local Coord Referenced To:	Well Head

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
Surface	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	100.00	0.00	315.30	100.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	200.00	0.00	315.30	200.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	300.00	0.00	315.30	300.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	400.00	0.00	315.30	400.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	500.00	0.00	315.30	500.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	600.00	0.00	315.30	600.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	700.00	0.00	315.30	700.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
13.375 Casing	800.00	0.00	315.30	800.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
KOP	900.00	0.00	315.30	900.00	0.00	0.00	0.00	0.00	450861.00	670898.00	N 32 14 17.97 W 103 46 50.19	
	1000.00	1.50	315.30	999.99	-0.92	0.93	-0.92	1.50	450861.93	670897.08	N 32 14 17.98 W 103 46 50.20	
	1100.00	3.00	315.30	1099.91	-3.67	3.72	-3.68	1.50	450864.72	670894.32	N 32 14 18.01 W 103 46 50.24	
	1200.00	4.50	315.30	1199.69	-8.26	8.37	-8.28	1.50	450869.37	670889.72	N 32 14 18.05 W 103 46 50.29	
	1300.00	6.00	315.30	1299.27	-14.68	14.87	-14.72	1.50	450875.87	670883.28	N 32 14 18.12 W 103 46 50.36	
	1400.00	7.50	315.30	1398.57	-22.92	23.23	-22.98	1.50	450884.23	670875.02	N 32 14 18.20 W 103 46 50.46	
KOP, Build 1.5"/100ft	1433.34	8.00	315.30	1431.61	-26.08	26.43	-26.15	1.50	450887.42	670871.85	N 32 14 18.23 W 103 46 50.50	
	1500.00	8.00	315.30	1497.62	-32.59	33.02	-32.67	0.00	450894.02	670865.33	N 32 14 18.30 W 103 46 50.57	
	1600.00	8.00	315.30	1596.65	-42.35	42.91	-42.46	0.00	450903.91	670855.54	N 32 14 18.40 W 103 46 50.69	
	1700.00	8.00	315.30	1695.67	-52.11	52.81	-52.25	0.00	450913.80	670845.75	N 32 14 18.50 W 103 46 50.80	
	1800.00	8.00	315.30	1794.70	-61.88	62.70	-62.04	0.00	450923.70	670835.96	N 32 14 18.59 W 103 46 50.91	
	1900.00	8.00	315.30	1893.73	-71.64	72.59	-71.83	0.00	450933.59	670826.18	N 32 14 18.69 W 103 46 51.03	
	2000.00	8.00	315.30	1992.75	-81.41	82.49	-81.62	0.00	450943.48	670816.39	N 32 14 18.79 W 103 46 51.14	
	2100.00	8.00	315.30	2091.78	-91.17	92.38	-91.41	0.00	450953.37	670806.60	N 32 14 18.89 W 103 46 51.25	
	2200.00	8.00	315.30	2190.81	-100.93	102.27	-101.20	0.00	450963.27	670796.81	N 32 14 18.99 W 103 46 51.37	
	2300.00	8.00	315.30	2289.83	-110.70	112.16	-110.98	0.00	450973.16	670787.02	N 32 14 19.09 W 103 46 51.48	
	2400.00	8.00	315.30	2388.86	-120.46	122.06	-120.77	0.00	450983.05	670777.23	N 32 14 19.18 W 103 46 51.59	
	2500.00	8.00	315.30	2487.89	-130.22	131.95	-130.56	0.00	450992.94	670767.45	N 32 14 19.28 W 103 46 51.71	
	2600.00	8.00	315.30	2586.91	-139.99	141.84	-140.35	0.00	451002.84	670757.66	N 32 14 19.38 W 103 46 51.82	
	2700.00	8.00	315.30	2685.94	-149.75	151.74	-150.14	0.00	451012.73	670747.87	N 32 14 19.48 W 103 46 51.93	
	2800.00	8.00	315.30	2784.97	-159.51	161.63	-159.93	0.00	451022.62	670738.08	N 32 14 19.58 W 103 46 52.05	
Hold	2819.65	8.00	315.30	2804.43	-161.43	163.57	-161.85	0.00	451024.57	670736.16	N 32 14 19.60 W 103 46 52.07	
	2900.00	6.79	315.30	2884.11	-168.69	170.93	-169.13	1.50	451031.92	670728.88	N 32 14 19.67 W 103 46 52.15	
	3000.00	5.29	315.30	2983.55	-176.08	178.41	-176.54	1.50	451039.40	670721.47	N 32 14 19.74 W 103 46 52.24	
Castile	3006.48	5.20	315.30	2990.00	-176.49	178.84	-176.95	1.50	451039.82	670721.06	N 32 14 19.75 W 103 46 52.24	
	3100.00	3.79	315.30	3083.23	-181.64	184.05	-182.11	1.50	451045.04	670715.90	N 32 14 19.80 W 103 46 52.30	
	3200.00	2.29	315.30	3183.09	-185.36	187.82	-185.85	1.50	451048.81	670712.17	N 32 14 19.84 W 103 46 52.35	
	3300.00	0.79	315.30	3283.05	-187.25	189.74	-187.74	1.50	451050.73	670710.27	N 32 14 19.86 W 103 46 52.37	
Drop 1.5"/100ft	3352.99	0.00	315.30	3336.04	-187.51	190.00	-188.00	1.50	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	3400.00	0.00	315.30	3383.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	3500.00	0.00	315.30	3483.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	3600.00	0.00	315.30	3583.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	3700.00	0.00	315.30	3683.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	3800.00	0.00	315.30	3783.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	3900.00	0.00	315.30	3883.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4000.00	0.00	315.30	3983.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4100.00	0.00	315.30	4083.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4200.00	0.00	315.30	4183.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4300.00	0.00	315.30	4283.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4400.00	0.00	315.30	4383.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4500.00	0.00	315.30	4483.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
Lamar	4576.95	0.00	315.30	4560.00	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
9.625 Casing	4600.00	0.00	315.30	4583.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
Bell Canyon	4608.95	0.00	315.30	4592.00	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4700.00	0.00	315.30	4683.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4800.00	0.00	315.30	4783.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	4900.00	0.00	315.30	4883.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5000.00	0.00	315.30	4983.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5100.00	0.00	315.30	5083.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5200.00	0.00	315.30	5183.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5300.00	0.00	315.30	5283.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5400.00	0.00	315.30	5383.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
Cherry Canyon	5476.95	0.00	315.30	5460.00	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5500.00	0.00	315.30	5483.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5600.00	0.00	315.30	5583.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5700.00	0.00	315.30	5683.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5800.00	0.00	315.30	5783.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	5900.00	0.00	315.30	5883.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	6000.00	0.00	315.30	5983.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	6100.00	0.00	315.30	6083.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	6200.00	0.00	315.30	6183.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	6300.00	0.00	315.30	6283.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	6400.00	0.00	315.30	6383.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	6500.00	0.00	315.30	6483.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W 103 46 52.37	
	6600.00	0.00	315.30									

		MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
KOP, Curve 10°/100ft		7800.00	0.00	315.30	7783.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W	103 46 52.37
		7900.00	0.00	315.30	7883.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W	103 46 52.37
		8000.00	0.00	315.30	7983.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W	103 46 52.37
		8100.00	0.00	315.30	8083.05	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W	103 46 52.37
		8183.99	0.00	315.30	8167.04	-187.51	190.00	-188.00	0.00	451050.99	670710.01	N 32 14 19.86 W	103 46 52.37
FTP Cross		8200.00	1.60	179.71	8183.04	-187.29	189.78	-188.00	10.00	451050.77	670710.01	N 32 14 19.86 W	103 46 52.37
		8300.00	11.60	179.71	8282.25	-175.81	178.30	-187.94	10.00	451039.29	670710.07	N 32 14 19.74 W	103 46 52.37
		8400.00	21.60	179.71	8377.96	-147.28	149.76	-187.80	10.00	451010.75	670710.22	N 32 14 19.46 W	103 46 52.37
		8416.00	23.20	179.71	8392.76	-141.19	143.67	-187.77	10.00	451004.66	670710.25	N 32 14 19.40 W	103 46 52.37
		8500.00	31.60	179.71	8467.27	-102.57	105.04	-187.57	10.00	450966.04	670710.44	N 32 14 19.02 W	103 46 52.37
Avalon		8510.31	32.63	179.71	8476.00	-97.09	99.56	-187.54	10.00	450960.56	670710.47	N 32 14 18.97 W	103 46 52.37
		8600.00	41.60	179.71	8547.45	-43.03	45.50	-187.27	10.00	450906.49	670710.74	N 32 14 18.43 W	103 46 52.37
		8700.00	51.60	179.71	8616.07	29.52	-27.07	-186.90	10.00	450833.93	670711.11	N 32 14 17.71 W	103 46 52.37
		8800.00	61.60	179.71	8671.04	112.89	-110.45	-186.48	10.00	450750.56	670711.53	N 32 14 16.89 W	103 46 52.37
		8900.00	71.60	179.71	8710.71	204.53	-202.10	-186.01	10.00	450658.91	670712.00	N 32 14 15.98 W	103 46 52.37
Hold		9000.00	81.60	179.71	8733.85	301.67	-299.26	-185.52	10.00	450561.76	670712.49	N 32 14 15.02 W	103 46 52.37
		9083.99	90.00	179.71	8740.00	385.35	-382.95	-185.10	10.00	450478.07	670712.91	N 32 14 14.19 W	103 46 52.37
		9100.00	90.00	179.71	8740.00	401.35	-398.96	-185.02	0.00	450462.07	670713.00	N 32 14 14.03 W	103 46 52.37
		9200.00	90.00	179.71	8740.00	501.34	-498.95	-184.51	0.00	450362.08	670713.50	N 32 14 13.04 W	103 46 52.37
		9300.00	90.00	179.71	8740.00	601.32	-598.95	-184.00	0.00	450262.08	670714.01	N 32 14 12.05 W	103 46 52.37
	9400.00	90.00	179.71	8740.00	701.30	-698.95	-183.50	0.00	450162.09	670714.52	N 32 14 11.06 W	103 46 52.37	
	9500.00	90.00	179.71	8740.00	801.29	-798.95	-182.99	0.00	450062.10	670715.02	N 32 14 10.07 W	103 46 52.37	
	9600.00	90.00	179.71	8740.00	901.27	-898.95	-182.48	0.00	449962.10	670715.53	N 32 14 9.08 W	103 46 52.37	
	9700.00	90.00	179.71	8740.00	1001.25	-998.95	-181.98	0.00	449862.11	670716.04	N 32 14 8.09 W	103 46 52.37	
	9800.00	90.00	179.71	8740.00	1101.24	-1098.95	-181.47	0.00	449762.12	670716.54	N 32 14 7.11 W	103 46 52.37	
	9900.00	90.00	179.71	8740.00	1201.22	-1198.95	-180.96	0.00	449662.13	670717.05	N 32 14 6.12 W	103 46 52.37	
	10000.00	90.00	179.71	8740.00	1301.20	-1298.94	-180.46	0.00	449562.13	670717.56	N 32 14 5.13 W	103 46 52.37	
	10100.00	90.00	179.71	8740.00	1401.19	-1398.94	-179.95	0.00	449462.14	670718.06	N 32 14 4.14 W	103 46 52.37	
	10200.00	90.00	179.71	8740.00	1501.17	-1498.94	-179.44	0.00	449362.15	670718.57	N 32 14 3.15 W	103 46 52.37	
	10300.00	90.00	179.71	8740.00	1601.15	-1598.94	-178.93	0.00	449262.15	670719.08	N 32 14 2.16 W	103 46 52.37	
	10400.00	90.00	179.71	8740.00	1701.14	-1698.94	-178.43	0.00	449162.16	670719.58	N 32 14 1.17 W	103 46 52.37	
	10500.00	90.00	179.71	8740.00	1801.12	-1798.94	-177.92	0.00	449062.17	670720.09	N 32 14 0.18 W	103 46 52.37	
	10600.00	90.00	179.71	8740.00	1901.10	-1898.94	-177.41	0.00	448962.18	670720.60	N 32 13 59.19 W	103 46 52.37	
	10700.00	90.00	179.71	8740.00	2001.09	-1998.93	-176.91	0.00	448862.18	670721.10	N 32 13 58.20 W	103 46 52.37	
	10800.00	90.00	179.71	8740.00	2101.07	-2098.93	-176.40	0.00	448762.19	670721.61	N 32 13 57.21 W	103 46 52.37	
	10900.00	90.00	179.71	8740.00	2201.05	-2198.93	-175.89	0.00	448662.20	670722.12	N 32 13 56.22 W	103 46 52.37	
	11000.00	90.00	179.71	8740.00	2301.04	-2298.93	-175.39	0.00	448562.21	670722.62	N 32 13 55.23 W	103 46 52.37	
	11100.00	90.00	179.71	8740.00	2401.02	-2398.93	-174.88	0.00	448462.21	670723.13	N 32 13 54.24 W	103 46 52.37	
	11200.00	90.00	179.71	8740.00	2501.01	-2498.93	-174.37	0.00	448362.22	670723.64	N 32 13 53.25 W	103 46 52.37	
	11300.00	90.00	179.71	8740.00	2600.99	-2598.93	-173.87	0.00	448262.23	670724.14	N 32 13 52.26 W	103 46 52.37	
	11400.00	90.00	179.71	8740.00	2700.97	-2698.93	-173.36	0.00	448162.23	670724.65	N 32 13 51.27 W	103 46 52.37	
	11500.00	90.00	179.71	8740.00	2800.96	-2798.92	-172.85	0.00	448062.24	670725.16	N 32 13 50.28 W	103 46 52.37	
	11600.00	90.00	179.71	8740.00	2900.94	-2898.92	-172.35	0.00	447962.25	670725.66	N 32 13 49.29 W	103 46 52.37	
	11700.00	90.00	179.71	8740.00	3000.92	-2998.92	-171.84	0.00	447862.26	670726.17	N 32 13 48.30 W	103 46 52.37	
	11800.00	90.00	179.71	8740.00	3100.91	-3098.92	-171.33	0.00	447762.26	670726.68	N 32 13 47.31 W	103 46 52.37	
	11900.00	90.00	179.71	8740.00	3200.89	-3198.92	-170.83	0.00	447662.27	670727.18	N 32 13 46.32 W	103 46 52.37	
	12000.00	90.00	179.71	8740.00	3300.87	-3298.92	-170.32	0.00	447562.28	670727.69	N 32 13 45.34 W	103 46 52.37	
	12100.00	90.00	179.71	8740.00	3400.86	-3398.92	-169.81	0.00	447462.29	670728.20	N 32 13 44.35 W	103 46 52.37	
	12200.00	90.00	179.71	8740.00	3500.84	-3498.92	-169.31	0.00	447362.29	670728.70	N 32 13 43.36 W	103 46 52.37	
	12300.00	90.00	179.71	8740.00	3600.82	-3598.91	-168.80	0.00	447262.30	670729.21	N 32 13 42.37 W	103 46 52.37	
	12400.00	90.00	179.71	8740.00	3700.81	-3698.91	-168.29	0.00	447162.31	670729.72	N 32 13 41.38 W	103 46 52.37	
	12500.00	90.00	179.71	8740.00	3800.79	-3798.91	-167.79	0.00	447062.31	670730.22	N 32 13 40.39 W	103 46 52.37	
	12600.00	90.00	179.71	8740.00	3900.77	-3898.91	-167.28	0.00	446962.32	670730.73	N 32 13 39.40 W	103 46 52.37	
	12700.00	90.00	179.71	8740.00	4000.76	-3998.91	-166.77	0.00	446862.33	670731.24	N 32 13 38.41 W	103 46 52.37	
	12800.00	90.00	179.71	8740.00	4100.74	-4098.91	-166.27	0.00	446762.34	670731.74	N 32 13 37.42 W	103 46 52.37	
	12900.00	90.00	179.71	8740.00	4200.72	-4198.91	-165.76	0.00	446662.34	670732.25	N 32 13 36.43 W	103 46 52.37	
	13000.00	90.00	179.71	8740.00	4300.71	-4298.91	-165.25	0.00	446562.35	670732.76	N 32 13 35.44 W	103 46 52.37	
	13100.00	90.00	179.71	8740.00	4400.69	-4398.90	-164.75	0.00	446462.36	670733.26	N 32 13 34.45 W	103 46 52.37	
	13200.00	90.00	179.71	8740.00	4500.67	-4498.90	-164.24	0.00	446362.36	670733.77	N 32 13 33.46 W	103 46 52.37	
	13300.00	90.00	179.71	8740.00	4600.66	-4598.90	-163.73	0.00	446262.37	670734.28	N 32 13 32.47 W	103 46 52.37	
	13400.00	90.00	179.71	8740.00	4700.64	-4698.90	-163.23	0.00	446162.38	670734.78	N 32 13 31.48 W	103 46 52.37	
	13500.00	90.00	179.71	8740.00	4800.62	-4798.90	-162.72	0.00	446062.39	670735.29	N 32 13 30.49 W	103 46 52.37	
	13600.00	90.00	179.71	8740.00	4900.61	-4898.90	-162.21	0.00	445962.39	670735.80	N 32 13 29.50 W	103 46 52.37	
	</												

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
	18800.00	90.00	179.71	8740.00	10099.74	-10098.83	-135.86	0.00	440762.77	670762.14	N 32 12 38.05	W 103 46 52.38
	18900.00	90.00	179.71	8740.00	10199.73	-10198.83	-135.36	0.00	440662.78	670762.65	N 32 12 37.06	W 103 46 52.38
LTP Cross	18918.17	90.00	179.71	8740.00	10217.90	-10217.00	-135.26	0.00	440644.61	670762.74	N 32 12 36.88	W 103 46 52.38
Chevron SND 9 16 Belle Starr Fed Com 002 1H - PBHL	18968.78	90.00	179.71	8740.00	10268.50	-10267.61	-135.01	0.00	440594.00	670763.00	N 32 12 36.38	W 103 46 52.38

Survey Type: Def Plan

Survey Error Model: ISCWSA Rev 3 *** 3-D 97.071% Confidence 3.0000 sigma

Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Expected Max Inclination (deg)	Survey Tool Type	Borehole / Survey
	1	0.000	28.000	1/100.000	30.000	30.000		B001Ma_MWD+HDGM-Depth Only	SND 9 16 Belle Starr Fed Com 002 1H / Chevron SND 9 16 Belle Starr Fed Com 002 1H Rev0 kFc
	1	28.000	18968.782	1/100.000	30.000	30.000		B001Ma_MWD+HDGM	SND 9 16 Belle Starr Fed Com 002 1H / Chevron SND 9 16 Belle

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
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

X Original Operator & OGRID No.: CHEVRON U S A INC 4323
☐ Amended Date: 4/16/19
Reason for Amendment: _____

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 – SND Section 12 CTB

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
SND 9 16 STARR FED COM 002 No. 1H	Pending	UL:B, SEC 9, T24S, R31E	247' FNL, 2122' FEL	5000	0	
SND 9 16 STARR FED COM 002 No. 2H	Pending	UL:B, SEC 9, T24S, R31E	247' FNL, 2097' FEL	5000	0	
SND 9 16 STARR FED COM 002 No. 3H	Pending	UL:B, SEC 9, T24S, R31E	247' FNL, 2072' FEL	5000	0	

Gathering System and Pipeline Notification

These Pad 4 wells will be connected to Chevron's SND Section 12 CTB production facility located in Section 12, T24S – R31E, Eddy County, New Mexico during flowback and production.

Gas produced from the production facility will be dedicated to DCP Operating Company, LP (DCP) and will be connected to DCP's high pressure gathering system located in Eddy County, New Mexico. Produced gas will be processed at one or more of DCP's New Mexico gas plants located in Eddy and Lea Counties. Chevron periodically provides DCP estimated production forecasts for wells that are scheduled to be drilled in the foreseeable future. In addition, Chevron and DCP have periodic conference calls to discuss changes to the forecasts.

Flowback Strategy

After the fracture treatment/completion operations, wells will be turned to permanent production facilities. Wells will have temporary sand catchers (separators) 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 with Enterprise'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 and trucked from condensate tanks
 - Plants are expensive and uneconomical to operate when gas volume declines.
 - Any residue gas that results in the future may be flared.

Pad Summary

The table below lists all the wells for the given pad and their respective name and TVD's (ft) for their production target intervals:

Well Name(s)	Target TVD	Formation Desc.
SND 9/16 Belle Starr FED COM 002 1H	8,740	Avalon
SND 9/16 Belle Starr FED COM 002 2H	8,740	Avalon
SND 9/16 Belle Starr FED COM 002 3H	8,740	Avalon

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

FORMATION	SUB-SEA TVD	KBTVD	MD
Rustler	2630	800	800
Castile	915	2,515	2,515
Lamar	-1145	4,575	4,575
Bell Canyon	-1196	4,626	4,626
Cherry Canyon	-2050	5,480	5,480
Brushy Canyon	-3330	6,760	6,760
Avalon	-5013	8,443	8,443
Lateral TD (Lower Avalon)	-5310	8,740	18,968
First Bone Spring	-6065	9,495	

2. ESTIMATED DEPTH OF WATER, OIL, GAS & OTHER MINERAL BEARING FORMATIONS

The estimated depths at which the top and bottom of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Deepest Expected Base of Fresh Water		400
Water	Cherry Canyon	5,480
Oil/Gas	Brushy Canyon	6,760
Oil/Gas	Avalon	8,443
Oil/Gas	First Bone Spring	9,495

All shows of fresh water and minerals will be reported and protected.

3. BOP EQUIPMENT

Chevron will have a minimum of a 5,000 psi rig stack (see proposed schematic) for drill out below surface casing. The stack will be tested as specified in the attached testing requirements. Batch drilling of the surface, intermediate, and production will take place. A full BOP test will be performed per hole section, unless approval from BLM is received otherwise. Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test will be conducted by a third party.

Chevron 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.

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4. CASING PROGRAM

a. The proposed casing program will be as follows:

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	850'	17-1/2"	13-3/8"	54.5 #	J-55	STC	New
Intermediate	0'	4,550'	12-1/4"	9-5/8"	43.5 #	L-80	LTC	New
Production	0'	18,968'	8-1/2"	5-1/2"	20.0 #	P-110	TXP BTC	New

b. Casing design subject to revision based on geologic conditions encountered.

c. ***A "Worst Case" casing design for wells in a particular area is used below to calculate the Casing Safety Factors. If for any reason the casing design for a particular well requires setting casing deeper than the following "worst case" design, then the Casing Safety Factors will be recalculated & sent to the BLM prior to drilling.

d. Chevron will fill casing at a minimum of every 20 jts (840') while running for intermediate and production casing in order to maintain collapse SF.

SF Calculations based on the following "Worst Case" casing design:

Surface Casing:	850'	TVD
Intermediate Casing:	4,550'	TVD
Production Casing:	19,000 ftMD at 90 deg inc	

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Surface	1.80	3.12	3.17	2.26
Intermediate	1.23	1.28	1.60	1.50
Production	1.15	1.39	2.10	1.38

The following worst case load cases were considered for calculation of the above Min. Safety Factors:

Burst Design	Surf	Int	Prod
Pressure Test- Surface, Int, Prod Csg P external: Mud weight above TOC, PP below P internal: Test psi + next section heaviest mud in csg	X	X	X
Displace to Gas- Surf Csg P external: Mud weight above TOC, PP below P internal: Dry Gas from Next Csg Point	X		
Gas over mud (60/40) - Int Csg P external: Mud weight above TOC, PP below P internal: 60% gas over 40% mud from hole TD PP		X	
Stimulation (Frac) Pressures- Prod Csg P external: Mud weight above TOC, PP below P internal: Max inj pressure w/ heaviest injected fluid			X
Tubing leak- Prod Csg (packer at KOP) P external: Mud weight above TOC, PP below P internal: Leak just below surf, 8.45 ppg packer fluid			X
Collapse Design	Surf	Int	Prod
Full Evacuation P external: Mud weight gradient P internal: none	X	X	X
Cementing- Surf, Int, Prod Csg P external: Wet cement P internal: displacement fluid - water	X	X	X
Tension Design	Surf	Int	Prod
100k lb overpull	X	X	X

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5. CEMENTING PROGRAM

Slurry	Type	Top	Bottom	Weight	Yield	%Excess	Sacks	Water	Volume	Additives
Surface				(ppg)	(cu ft/sk)	Open Hole		gal/sk	bbls	
Tail	Class C	0'	850'	14.8	1.34	100	1139	6.40	272	Extender, Antifoam, Retarder
<u>Intermediate Csg.</u>										
Lead	Class C	0'	3,550'	11.9	2.56	30	564	14.66	257	Extender, Antifoam, Retarder, Viscosifier
Tail	Class C	3,550'	4,550'	14.8	1.33	30	334	6.38	79	Extender, Antifoam, Retarder, Viscosifier
<u>Production</u>										
Lead 1	Class C	0'	8,500'	11.9	2.46	10	870	14.05	382	Extender, Antifoam, Retarder, Viscosifier
Lead 2	Class C	8,500'	17,968'	13.2	1.85	10	1289	9.87	425	Extender, Antifoam, Retarder, Viscosifier
Tail	Acid Sol Class H	17,968'	18,968'	15	2.19	10	120	9.54	47	Extender, Antifoam, Retarder, Viscosifier

1. Final cement volumes will be determined by caliper.
2. Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
3. Production casing will have one solid body type centralizer on every joint in the lateral, then every other joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing and surface.

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6. MUD PROGRAM

From	To	Type	Weight	Viscosity	Filtrate
0'	850'	Spud Mud	8.3 - 8.9	28-30	N/C
850'	4,550'	Brine	9.0 - 10.1	28-31	15-25
4,550'	18,968'	OBM	8.3 - 9.5	10-15	15-25

A closed system will be used consisting of above ground steel tanks. 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. 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.

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.

A weighting agent and lost circulating material (LCM) will be onsite to mitigate pressure or lost circulation as hole conditions dictate.

7. TESTING, LOGGING, AND CORING

The anticipated type and amount of testing, logging, and coring are as follows:

- Drill stem tests are not planned.
- The logging program will be as follows:

TYPE	Logs	Interval	Timing
Mudlogs	2 man mudlog	Surface casing shoe through prod hole TD	While drilling or circulating
LWD	MWD Gamma	Int. and Prod. Hole	While Drilling

- Conventional whole core samples are not planned.
- A directional survey will be run.

8. ABNORMAL PRESSURES AND HYDROGEN SULFIDE

- No abnormal pressure or temperatures are expected. Estimated BHP is: 4,318 psi
- Hydrogen sulfide gas is not anticipated. An H₂S Contingency plan is attached with this APD in the event that H₂S is encountered

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District I
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District III
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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 15850

COMMENTS

Operator:	CHEVRON U S A INC	6301 Deauville Blvd	Midland, TX79706	OGRID:	4323	Action Number:	15850	Action Type:	FORM 3160-3
Created By	Comment					Comment Date			
kpickford	KP GEO Review 2/1/2021					02/01/2021			

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CONDITIONS

Action 15850

CONDITIONS OF APPROVAL

Operator:	CHEVRON U S A INC	6301 Deauville Blvd	Midland, TX79706	OGRID:	4323	Action Number:	15850	Action Type:	FORM 3160-3
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OCD Reviewer	Condition
kpickford	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	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
kpickford	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