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Form 3160-5 UNITED STATES June 2019) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT					ON	DRM APPROVED MB No. 1004-0137 res: October 31, 2021	
Do not	use this i	NOTICES AND REP(form for proposals : Use Form 3160-3 (A	6. If Indian, Allottee or Tribe Name				
1. Type of Well	SUBMIT IN	TRIPLICATE - Other instr	uctions on page 2		7. If Unit of CA/Agreer	nent, Name and/or No.	
Oil Well	Gas V	Vell Other		8. Well Name and No.			
2. Name of Operator					9. API Well No.		
3a. Address			3b. Phone No. (include area code)		10. Field and Pool or Exploratory Area		
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)					11. Country or Parish, State		
	12. CHE	CK THE APPROPRIATE B	OX(ES) TO INDICATE NATURE	OF NOT	ICE, REPORT OR OTHI	ER DATA	
TYPE OF SUBMI	SSION		ТҮР	PE OF AC	TION		
Notice of Intent		Acidize	Deepen Hydraulic Fracturing		luction (Start/Resume) lamation	Water Shut-Off Well Integrity	
Subsequent Report Casing Repair				omplete Other			
Final Abandonme	nt Notice	Convert to Injection	Plug Back	Wate	er Disposal		
the proposal is to dee the Bond under whic completion of the inv	pen directiona h the work wil olved operation undonment No	ally or recomplete horizontal ll be perfonned or provide th ons. If the operation results i	ly, give subsurface locations and m e Bond No. on file with BLM/BIA. n a multiple completion or recompl	easured a Required letion in a	nd true vertical depths of l subsequent reports must new interval, a Form 310	k and approximate duration thereof. If all pertinent markers and zones. Attach t be filed within 30 days following 60-4 must be filed once testing has been e operator has detennined that the site	

14. I hereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>)				
	Title			
Signature	Date			
THE SPACE FOR FEDE	RAL OR STATE O	FICE USE		
Approved by				
	Title		Date	
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject lea which would entitle the applicant to conduct operations thereon.				
Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.				

(Instructions on page 2)

GENERAL INSTRUCTIONS

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

SPECIFIC INSTRUCTIONS

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

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

NOTICES

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

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

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

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

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

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

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

Response to this request is mandatory.

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

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

Additional Information

Location of Well

0. SHL: NWNE / 425 FNL / 2041 FEL / TWSP: 26S / RANGE: 33E / SECTION: 18 / LAT: 32.04962 / LONG: -103.609425 (TVD: 0 feet, MD: 0 feet) PPP: SENE / 1303 FNL / 1210 FEL / TWSP: 26S / RANGE: 33E / SECTION: 18 / LAT: 32.047202 / LONG: -103.606732 (TVD: 10488 feet, MD: 10573 feet) PPP: NENE / 100 FNL / 1210 FEL / TWSP: 26S / RANGE: 33E / SECTION: 18 / LAT: 32.050512 / LONG: -103.606742 (TVD: 10488 feet, MD: 10573 feet) BHL: SESE / 25 FSL / 1210 FEL / TWSP: 26S / RANGE: 33E / SECTION: 19 / LAT: 32.021828 / LONG: -103.606712 (TVD: 10827 feet, MD: 21143 feet)

District 1 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

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

State of New Mexico

	¹ API Nun	nber	per ² Pool Code					³ Pool Name			
	30-025-5	089	97955 WC-025 G-06 S263319P;BONE SPRING								
⁴ Proper	ty Code			⁵ P	roperty Name			⁶ Well Number			
332	808			SD 18 19	FEDERAL C	OM				425H	
⁷ OGR	ID No.			⁸ O	perator Name					⁹ Elevation	
43	23			CHEVF	RON U.S.A. IN	C.				3230'	
	¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	West line	County	
В	18	26 SOUTH	33 EAST, N.M.P.M.		425'	NORTH	2041'	EAST LEA		LEA	
			¹¹ Bottom I	Hole Locat	tion If Diff	erent From S	Surface	-			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County	
Р	19	26 SOUTH	5 SOUTH 33 EAST, N.M.P.M. 25' SOUTH 1210' EAST		ST	LEA					
¹² Dedicated A	cres ¹³ Joi	nt or Infill	¹⁴ Consolidation Code	¹⁵ Order No.							
320]	NFILL									

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. Т

¹⁶ A	2041' C	17 OPERATOR CERTIFICATION
		I hereby certify that the information contained herein is true and complete
SD 18 19 FEDERAL COM 425H LOCATION	N 68°17'07" E	to the best of my knowledge and belief, and that this organization either
X= 724,435 X= 725,343	892.17'	
Y= 382,484 Y= 372,380 NAD 27		owns a working interest or unleased mineral interest in the land including
LAT. 32.049495 N LAT. 32.021703 N	Proposed	the proposed bottom hole location or has a right to drill this well at this
LONG. 103.608956 W LONG. 103.606244 W X= 765.622 X= 766.531	First Take Point	location pursuant to a contract with an owner of such a mineral or
X= 765,622 X= 766,531 Y= 382,542 Y= 372,437	100' FNL, 1210' FEL	1 7
LAT. 32.049620 N NAD83/2011 LAT. 32.021828 N NAD83/2011		working interest, or to a voluntary pooling agreement or a compulsory
LONG 103.609425 W LONG 103.606712 W		pooling order heretofore entered by the division.
ELEVATION +3230' NAVD 88		
		Cindy Herrera-Murillo 03/20/2023 Signature Date
PROPOSED FIRST TAKE POINT PROPOSED LAST TAKE POINT		Signature Date
X= 725,264 X= 725,343	10,434.76	Oire du dale mene Munille
Y= 382,814 Y= 372,455 NAD 27	34	Cindy Herrera-Murillo
LAT. 32.050387 N LAT. 32.021909 N		Printed Name
LONG. 103.606273 W LONG. 103.606245 W		
X= 766,451 X= 766,530		eeof@chevron.com
Y= 382,872 Y= 372,512 LAT. 32.050512 N NAD83/2011 LAT. 32.022034 N NAD83/2011		E-mail Address
LONG 103.606742 W LONG 103.606712 W	D	
	000	18SURVEYOR CERTIFICATION
	ν v	I hereby certify that the well location shown on this
	106'	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.
CORNER COORDINATES TABLE (NAD 27)		
A - X=721214.40, Y=382884.06		03/10/2020 L. LAST
B - X=725158.52, Y=382913.68		Date of Survey Signature and Sea of Professional Surveyar:
C - X=726473.23, Y=382923.55		Date of Survey Signature and Second Processional Surveyar:
D - X=721247.39, Y=377603.37		Signature and Sea of Professional Surveyor:
E - X=725196.60, Y=377632.53	I F 1	
F - X=726513.00, Y=377642.26		(23006) 03/17/2023
G - X=721279.27, Y=372322.68	Proposed	
H - X=725234.87, Y=372354.00	Last Take Point	- XXD ha
	100' FSL, 1210' FEL	
I - X=726553.40, Y=372364.44		XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	ې 1210' د	Certificate Number
G		· · ()
°		V

CHEVRON REQUESTS TO CHANGE FOR A NAME CHANGE AND SPACING DEDICATED ACRES ON THE DESIGNATED WELL API # 30-025-50089

OLD NAME: SD 18 19 FED COM P361 425H

NEW NAME: SD 18 19 FEDERAL COM 425H

OLD SPACING DEDICATED ACRES 640 ACRES

NEW SPACING DEDICATED ACRES 320 ACRES

PLEASE SEE ATTACHED NEW C-102 WITH CHANGES

VI. Separation Equipment:

Separation equipment installed at each Chevron facility is designed for maximum anticipated throughput and pressure to minimize waste. Separation equipment is designed and built according to ASME Sec VIII Div I to ensure gas is separated from liquid streams according to projected production.

VII./VIII. Operational & Best Management Practices:

1. General Requirements for Venting and Flaring of Natural Gas:

- In all circumstances, Chevron will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- Chevron installs and operates vapor recovery units (VRUs) in new facilities to minimize venting and flaring. If a VRU experiences operating issues, it is quickly assessed so that action can be taken to return the VRU to operation or, if necessary, facilities are shut-in to reduce the venting or flaring of natural gas.

2. During Drilling Operations:

- Flare stacks will be located a minimum of 110 feet from the nearest surface hole location.
- If an emergency or malfunction occurs, gas will be flared or vented to avoid a risk of an immediate and substantial adverse impact on public health, safety or the environment and be properly reported to the NMOCD pursuant to 19.15.27.8.G.
- Natural gas is captured or combusted if technically feasible using best industry practices and control technologies, such as the use of separators (e.g., Sand Commanders) during normal drilling and completions operations.

3. During Completions:

- Chevron typically does not complete traditional flowback, instead Chevron will flow produced oil, water, and gas to a centralized tank battery and continuously recover salable quality gas. If Chevron completes traditional flowback, Chevron conducts reduced emission completions as required by 40 CFR 60.5375a by routing gas to a gas flow line as soon as practicable once there is enough gas to operate a separator. Venting does not occur once there is enough gas to operate a separator
- Normally, during completions a flare is not on-site. A Snubbing Unit will have a flare on-site, and the flare volume will be estimated.
- If natural gas does not meet pipeline quality specification, the gas is sampled twice per week until the gas meets the specifications.

4. During Production:

- An audio, visual and olfactory (AVO) inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.
- Monitor manual liquid unloading for wells on-site, takes all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time and takes reasonable actions to minimize venting to the maximum extent practicable.
- In all circumstances, Chevron will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- Chevron's design for new facilities utilizes air-activated pneumatic controllers and pumps.
- If natural gas does not meet pipeline quality specification, the gas is sampled twice per week until the gas meets the specifications.
- Chevron does not produce oil or gas until all flowlines, tank batteries, and oil/gas takeaway are installed, tested, and determined operational.

5. Performance Standards

- Equipment installed at each facility is designed for maximum anticipated throughput and pressure to minimize waste. Tank pressure relief systems utilize a soft seated or metal seated PSVs, as appropriate, which are both designed to not leak.
- Flare stack has been designed for proper size and combustion efficiency. New flares will have a continuous pilot and will be located at least 100 feet from the well and storage tanks and will be securely anchored.
- New tanks will be equipped with an automatic gauging system.
- An audio, visual and olfactory (AVO) inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.

6. Measurement or Estimation of Vented and Flared Natural Gas

- Chevron estimates or measures the volume of natural gas that is vented, flared, or beneficially used during drilling, operations, regardless of the reason or authorization for such venting or flaring.
- Where technically practicable, Chevron will install meters on flares installed after May 25, 2021. Meters will conform to industry standards. Bypassing the meter will only occur for inspecting and servicing of the meter.

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<i>ived by</i> 000.0/1/2025	1.55.50 1 11					I uge e			
State of New Mexico Energy, Minerals and Natural Resources Department						Submit Electronically Via E-permitting			
Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505									
	Ν	ATURAL (GAS MANAC	GEMENT P	LAN				
This Natural Gas Manage	ement Plan m	ust be submitted	with each Applicat	ion for Permit to I	Drill (APD) for a	new or recompleted well			
			n 1 – Plan De Effective May 25,						
I. Operator:C	nevron USA_		OGRID:	4323		_ Date: _4 <u>/3_/22</u>			
II. Type: 🛛 Original 🗆	Amendment	due to □ 19.15.2	27.9.D(6)(a) NMA	C 🗆 19.15.27.9.D	(6)(b) NMAC 🗆	Other.			
If Other, please describe:									
III. Well(s): Provide the be recompleted from a sin					wells proposed to	b be drilled or proposed to			
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D			
SD 18 19 Fed Com P361 424H	Pending	UL:B, SEC 18, T26S- R33E	424' FNL, 2066' FEL	2176 BBL/D	6554 MCF/D	3733 BBL/D			
SD 18 19 Fed Com P361 425H	Pending	UL:B, SEC 18, T26S- R33E	424' FNL, 2041' FEL	2176 BBL/D	6554 MCF/D	3733 BBL/D			
SD 18 19 Fed Com P361 426H	Pending	UL:B, SEC 18, T26S- R33E	425' FNL, 2016' FEL	2176 BBL/D	6554 MCF/D	3733 BBL/D			
IV. Central Delivery Point Name: <u>Satellite #18</u> [See 19.15.27.9(D)(1) NMAC]									
V. Anticipated Scheduld proposed to be recomplet					vell or set of well	s proposed to be drilled o			
Well Name	API	Spud Date	TD Reached	Completion	Initial	Flow First Production			

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
SD 18 19 Fed Com P361 424H	Pending	2/21/2024	N/A	N/A	N/A	N/A
SD 18 19 Fed Com P361 425H	Pending	3/10/2024	N/A	N/A	N/A	N/A
SD 18 19 Fed Com P361 426H	Pending	3/28/2024	N/A	N/A	N/A	N/A

VI. Separation Equipment: \square Attach a complete description of how Operator will size separation equipment to optimize gas capture. **VII. Operational Practices:** \square Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: 🛛 Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. \Box Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system \Box will \Box will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator \Box does \Box does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

□ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: \Box Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

 \boxtimes Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

 \Box Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. *If Operator checks this box, Operator will select one of the following:*

Well Shut-In. \Box Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. \Box Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Cindy Herrera-Murillo					
Printed Name: Cindy Herrera-Murillo					
Title: Sr HSE Regulatory affairs Coordinator					
E-mail Address: eeof@chevron.com					
Date: 04/19/2022					
Phone: 575-263-0431					
OIL CONSERVATION DIVISION					
(Only applicable when submitted as a standalone form)					
Approved By:					
Title:					
Approval Date:					
Conditions of Approval:					

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR	OPERATOR'S NAME:			Chevron USA Incorporated			
	ASE NO.:	NMNM	NMNM				
LO	CATION:	Section 1	Section 18, T.26 S., R.33 E., NMPM				
	COUNTY:		nty, New Mexico				
WELL NAM	IE & NO.:	SD 18 19	FED COM P361	424H			
SURFACE HOLE FO	DOTAGE:	424'/N &	2066'/E				
BOTTOM HOLE F	OOTAGE	25'/S & 2	2090'/E				
L		1					
WELL NAN	IE & NO.:	SD 18 19	FED COM P361	425H			
SURFACE HOLE FO	DOTAGE:	425'/N & 2041'/E					
BOTTOM HOLE F	OOTAGE	25'/S & 1	25'/S & 1210'/E				
WELL NAN	IE & NO.:	SD 18 19	SD 18 19 FED COM P361 426H				
SURFACE HOLE FO	DOTAGE:	425'/N &	2016'/E				
BOTTOM HOLE F	OOTAGE	25'/S & 3	330'/E				
		CO	Δ				
		Α					
1100	@ 1 7		() N				
H2S	• Yes		O No	0			
Potash	🖲 None		© Secretary	© R-111-P			
Cave/Karst Potential	C Low		• Medium	C High			
Cave/Karst Potential	Critical						
Variance	C None		• Flex Hose	C Other			

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated **500** feet prior to drilling into the **Red Hills** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

C Multibowl Capitan Reef

COM

Cement Squeeze

Conventional

4 String Area

Fluid Filled

L Special Requirements
Water Disposal Observation Both

□ WIPP

Unit

Pilot Hole

B. CASING

Wellhead

Other

Other

Casing Design:

- 1. The **13-3/8** inch surface casing shall be set at approximately **900** feet (a minimum of **25 feet (Lea 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 <u>8</u>
 <u>hours</u> 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 **9-5/8** inch intermediate casing shall be set at approximately **4698** feet. 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 <u>Medium Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 13-3/8" X 9-5/8" annulus. <u>Operator must run</u> a CBL from TD of the 9-5/8" casing to surface. Submit results to BLM.

3. The minimum required fill of cement behind the 7 inch production casing is:

Option 1 (Single Stage):

• Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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 should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

Operator has proposed to pump down 9-5/8" X 7" annulus. <u>Operator must run a</u> <u>CBL from TD of the 7" casing to surface. Submit results to BLM.</u>

- 4. The minimum required fill of cement behind the $5 \times 4-1/2$ inch production liner is:
 - Cement should tie-back **100 feet** into the previous casing. Operator shall provide method of verification.

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 **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate 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. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

BOPE Break Testing Variance

- BOPE Break Testing is ONLY permitted for 5M BOPE or less.
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required.
- The BLM is to be contacted (**575-393-3612 Lea County**) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per Onshore Oil and Gas Order No. 2.

Approval Date: 04/13/2022

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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) 689-5981
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per 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.

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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.
- <u>Wait on cement (WOC) for Potash Areas:</u> 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 <u>24 hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> 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 <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity 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.

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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.

NMK – 3-30-2022

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 Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	246705
	Action Type:
	[C-103] NOI Change of Plans (C-103A)
CONDITIONS	

Created	Condition	Condition
Ву		Date
pkautz	None	9/29/2023

CONDITIONS

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Action 246705