

Submit Copy To Appropriate District
Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-49951
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CHEVRON USA, INC.		6. State Oil & Gas Lease No. 334063
3. Address of Operator 6301 DEAUVILLE BLVD., MIDLAND, TEXAS 79706		7. Lease Name or Unit Agreement Name BAILEYS 25 36 STATE COM
4. Well Location Unit Letter <u>N</u> : <u>975</u> feet from the <u>SOUTH</u> line and <u>2336</u> feet from the <u>WEST</u> line Section <u>24</u> Township <u>26S</u> Range <u>27E</u> NMPM County <u>EDDY</u>		8. Well Number 404H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3054'		9. OGRID Number 4323
		10. Pool name or Wildcat HAY HOLLOW; BONE SPRING

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: CHANGE WELL NAME/NUMBER <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CHEVRON REQUESTS THE FOLLOWING:

CHANGE THE WELL NAME AND NUMBER FROM BAILEYS 25 36 STATE COM 404H TO BAILEYS 25 36 STATE COM 237H (API# 30-015-49951)

PLEASE SEE ATTACHED C-102

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Carol Adler TITLE Sr. HSE Regulatory Affairs Coordinator DATE 6/29/2023

Type or print name Carol Adler E-mail address: caroladler@chevron.com PHONE: (432) 687-7148

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

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1625 N. French Dr., Hobbs, NM 88240
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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 30-015-49951	² Pool Code 30215	³ Pool Name HAY HOLLOW; BONE SPRING
⁴ Property Code 334063	⁵ Property Name BAILEYS 25 36 STATE COM	⁶ Well Number 237H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3054'

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
N	24	26 SOUTH	27 EAST, N.M.P.M.		975'	SOUTH	2336'	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
L2	36	26 SOUTH	27 EAST, N.M.P.M.		50'	SOUTH	1600'	EAST	EDDY

¹² Dedicated Acres 448.09	¹³ Joint or Infill DEFINING	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.

<p>¹⁶</p> <p>BAILEYS 25 36 STATE COM 237H WELL X = 558,606' (NAD27 NM E) Y = 372,152' LAT. 32.023019° N (NAD27) LONG. 104.144233° W X = 599,790' (NAD83/86 NM E) Y = 372,209' LAT. 32.023142° N (NAD83/86) LONG. 104.144722° W ELEV. 3054' (NAVD88)</p> <p>PROPOSED FIRST TAKE POINT X = 559,972' (NAD27 NM E) Y = 371,078' LAT. 32.020060° N (NAD27) LONG. 104.139828° W X = 601,157' (NAD83/86 NM E) Y = 371,135' LAT. 32.020183° N (NAD83/86) LONG. 104.140318° W</p> <p>PROPOSED MID POINT @ SECTION LINE X = 559,989' (NAD27 NM E) Y = 365,860' LAT. 32.005715° N (NAD27) LONG. 104.139805° W X = 601,174' (NAD83/86 NM E) Y = 365,917' LAT. 32.005838° N (NAD83/86) LONG. 104.140294° W</p> <p>PROPOSED LAST TAKE POINT X = 559,994' (NAD27 NM E) Y = 363,830' LAT. 32.000134° N (NAD27) LONG. 104.139800° W X = 601,179' (NAD83/86 NM E) Y = 363,886' LAT. 32.000257° N (NAD83/86) LONG. 104.140289° W</p> <p>CORNER COORDINATES TABLE (NAD 27)</p> <p>A Y = 372505.46, X = 557593.61 B Y = 372506.31, X = 558918.86 C Y = 371176.61, X = 557598.99 D Y = 371177.56, X = 558924.06 E Y = 371178.23, X = 560248.11 F Y = 371178.91, X = 561572.15 G Y = 368518.10, X = 558930.93 H Y = 368518.47, X = 560255.63 I Y = 368518.83, X = 561580.33 J Y = 365860.47, X = 558937.80 K Y = 365859.78, X = 560263.40 L Y = 365859.10, X = 561589.00 M Y = 363728.90, X = 558942.70 N Y = 363729.85, X = 560268.64 O Y = 363730.84, X = 561594.55</p> <p>PROPOSED BOTTOM HOLE LOCATION X = 559,994' (NAD27 NM E) Y = 363,780' LAT. 31.999996° N (NAD27) LONG. 104.139800° W X = 601,179' (NAD83/86 NM E) Y = 363,836' LAT. 32.000120° N (NAD83/86) LONG. 104.140289° W</p>	<p>Sec. 24</p> <p>Sec. 25</p> <p>Sec. 36</p> <p>Culberson Co. Texas</p>	<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.</p> <p><i>Carol Adler</i> 2/8/2023 Signature Date</p> <p>CAROL ADLER Printed Name</p> <p>caroladler@chevron.com E-mail Address</p> <p>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.</p> <p>06/27/22 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>Robert L. Lastrapes</i> 23006 06/29/2022</p> <p>Certificate Number</p>
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CHEVRON REQUESTS THE FOLLOWING: CHANGE THE WELL NAME AND NUMBER FROM BAILEYS 25 36 STATE COM 404H TO BAILEYS 25 36 STATE COM 237H (API# 30-015-49951)

PLEASE SEE ATTACHED C-102

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator: Chevron USA **OGRID:** 4323 **Date:** 7 / 11 / 22

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
BAILEYS 25 36 STATE COM P44 1H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2261' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D
BAILEYS 25 36 STATE COM P44 2H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2286' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D
BAILEYS 25 36 STATE COM P44 3H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2311' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D
BAILEYS 25 36 STATE COM P44 4H	<i>Pending</i>	UL:N, Sec 34, T26S-R27E	975'FSL, 2336' FWL	1635 BBL/D	5841 MCF/D	2089 BBL/D

IV. Central Delivery Point Name: Hayhurst NM CTB 25 [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
BAILEYS 25 36 STATE COM P44 1H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A
BAILEYS 25 36 STATE COM P44 2H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A
BAILEYS 25 36 STATE COM P44 3H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A
BAILEYS 25 36 STATE COM P44 4H	<i>Pending</i>	July 2024	N/A	N/A	N/A	N/A

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ 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. ☐ 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 ☐ will ☐ 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 ☐ does ☐ 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: ☐ 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:

☒ 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

☐ 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. ☐ 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. ☐ 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: <i>Carol Adler</i>
Printed Name: Carol Adler
Title: Sr. Regulatory Affairs Coordinator
E-mail Address: caroladler@chevron.com
Date: 8/3/2022
Phone: (432) 687-7148
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

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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Santa Fe, NM 87505

CONDITIONS

Action 237243

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 237243
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Original COA's still apply.	10/24/2023