Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. NMLC071949 BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. ✓ DRILL REENTER 1a. Type of work: 1b. Type of Well: ✓ Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing ✓ Single Zone Multiple Zone ZN 27 22 FED STATE COM 601H 2. Name of Operator 9. API Well No. CHEVRON USA INCORPORATED **30-025-53334**10. Field and Pool, or Exploratory 3a. Address 3b. Phone No. (include area code) PO BOX 1392, BAKERSFIELD, CA 93302 (661) 633-4000 WC-025 G-06 S233423N/98230 WOLFCA 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T. R. M. or Blk. and Survey or Area SEC 34/T23S/R34E/NMP At surface NWNE / 650 FNL / 1387 FEL / LAT 32.266541 / LONG -103.453858 At proposed prod. zone NWNE / 25 FNL / 1980 FEL / LAT 32.297293 / LONG -103.455807 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13 State NM LEA 16 miles 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well 650 feet location to nearest property or lease line, ft. 320.0 (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, 500 feet 11464 feet / 22391 feet FED: ES0022 applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 3456 feet 11/02/2023 147 days 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. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above) 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the SUPO must be filed with the appropriate Forest Service Office). 25. Signature Name (Printed/Typed) Date (Electronic Submission) CINDY HERRERA-MURILLO / Ph: (432) 687-7866 02/15/2024 Title Permitting Specialist Approved by (Signature) Name (Printed/Typed) Date (Electronic Submission) CODY LAYTON / Ph: (575) 234-5959 07/23/2024 Title Office Assistant Field Manager Lands & Minerals Carlsbad Field 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



(Continued on page 2)

*(Instructions on page 2)

<u>District I</u>
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 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>
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

ANTELOPE

WELL LOCATION AND ACREAGE DEDICATION PLAT RIDGE; WOLFCAMP

| ¹ API Numbe 30-025-5333 | | ³ Pool Name | XXXX | | | | | | | |
|---|----------------|----------------------------|------|--|--|--|--|--|--|--|
| ⁴ Property Code | 5 P: | ⁵ Property Name | | | | | | | | |
| 336022 | ZN 27 22 | FED STATE COM | 601H | | | | | | | |
| ⁷ OGRID No. | ⁸ O | ⁸ Operator Name | | | | | | | | |
| 4323 | CHEVR | CHEVRON U.S.A. INC. 3456' | | | | | | | | |

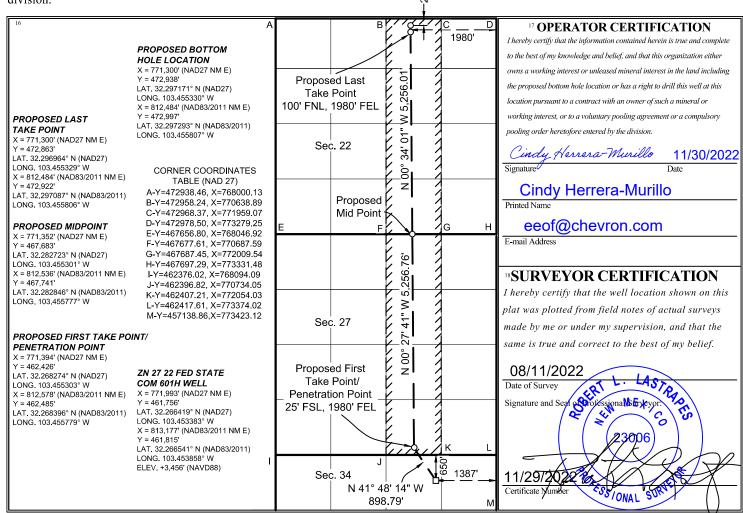
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| В | 34 | 23 SOUTH | 34 EAST, N.M.P.M. | | 650' | NORTH | 1387' | EAST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Sect | ion Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|----------------|---------|-----------------|--|-----------|---------------|------------------|---------------|----------------|--------|
| В | 22 | 23 SOUTH | 34 EAST, N.M.P.M. | | 25' | NORTH | 1980' | EAST | LEA |
| 12 Dedicated A | cres 13 | Joint or Infill | ¹⁴ Consolidation Code ¹⁵ | Order No. | | | | | |
| 320 | | DEFINING | | | | | | | |

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.



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 <u>Effective May 25, 2021</u>

| f Other, please describe | e: | | | | | |
|---------------------------------|---------|---|------------------------|--------------------------|--------------------------|--|
| | | nformation for each new d or connected to a cent | | | wells proposed to | be drilled or proposed |
| Well Name | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
| ZN 27 22 FED STATE COM #201H | Pending | UL:A-34-23S-34E | 650' FNL, 1307' FEL | 1815 BBL/D | 3116 MCF/D | 2397 BBL/D |
| ZN 27 22 FED STATE COM #202H | Pending | UL: A-34-23S-34E | 650' FNL, 1287' FEL | 1815 BBL/D | 3116 MCF/D | 2397 BBL/D |
| ZN 27 22 FED STATE COM #203H | Pending | UL:A-34-23S-34E | 650' FNL 1267' FEL | 1815 BBL/D | 3116 MCF/D | 2397 BBL/D |
| ZN 27 22 FED STATE COM #401H | Pending | UL:B-34-23S-34E | 650' FSL, 1367' FWL | 1815 BBL/D | 3116 MCF/D | 2397 BBL/D |
| ZN 27 22 FED STATE COM #402H | Pending | UL:B-34-23S-34E | 650' FNL, 1327' FWL | 1815 BBL/D | 3116 MCF/D | 2397 BBL/D |
| ZN 27 22 FED STATE COM #601H | Pending | UL:B-34-23S-34E | 650' FNL, 1387' FWL | 1815 BBL/D | 3116 MCF/D | 2397 BBL/D |
| ZN 27 22 FED STATE COM #602H | Pending | UL:B-34-23S-34E | 650' FSL, 1347' FWL | 1815 BBL/D | 3116 MCF/D | 2397 BBL/D |

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 | Completion | Initial Flow | First Production |
|---------------------------------|---------|-----------|------------|-------------------|--------------|------------------|
| | | | Date | Commencement Date | Back Date | Date |
| ZN 27 22 FED STATE COM #201H | Pending | 2/1/2024 | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| ZN 27 22 FED STATE COM #202H | Pending | 2/19/2024 | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| ZN 27 22 FED STATE COM #203H | Pending | 3/8/2024 | <u>N/A</u> | N/A | <u>N/A</u> | N.A |

| ZN 27 22 FED STATE COM #401H | Pending | 3/26/2024 | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
|---------------------------------|---------|-----------|------------|------------|------------|------------|
| ZN 27 22 FED STATE COM #402H | Pending | 4/13/2024 | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| ZN 27 22 FED STATE COM #601H | Pending | 5/1/2024 | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| ZN 27 22 FED STATE COM #602H | Pending | 5/19/2024 | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |

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 | Available Maximum Daily Capacity |
|----------|--------|-----------------|-----------------------|----------------------------------|
| _ | - | | Start Date | of System Segment Tie-in |
| | | | | |
| | | | | |

XI. Map. \square 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 \square will \square 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 \square does \square 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.

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(i)

Section 3 - Certifications <u>Effective May 25, 2021</u>

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: power generation on lease: (a) **(b)** power generation for grid; compression on lease; (c) (d) liquids removal on lease; reinjection for underground storage; (e) **(f)** reinjection for temporary storage; **(g)** reinjection for enhanced oil recovery; fuel cell production; and (h)

Section 4 - Notices

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

other alternative beneficial uses approved by the division.

- (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 Cindy Herrera-Murillo | | | | | |
|-------------------------|---|--|--|--|--|--|
| Printed Name: | Cindy Herrera-Murillo | | | | | |
| Title: | Sr HSE Regulatory Affairs Coordinator | | | | | |
| E-mail Address: | eeof@chevron.com | | | | | |
| Date: | 10/18/2022 | | | | | |
| Phone: | 575-263-0431 | | | | | |
| | 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.

Well Name: ZN 27 22 FED STATE COM Well Number: 601H

Pressure Rating (PSI): 5M Rating Depth: 11490

Equipment: Chevron will have a minimum of a 5,000 psi rig stack (see proposed schematic) for drill out below surface

casing.

Requesting Variance? YES

Variance request: Chevron respectfully request to vary from the Onshore Order 2 where it states: "(A full BOP Test) shall be performed: when initially installed and whenever any seal subject to test pressure is broken." We propose to break test if able to finish the next hole section within 21 days of the previous full BOP test. No BOP components nor any break will ever surpass 21 days between testing. A break test will consist of a 250 psi low / 5,000 psi high for 10 min each test against the connection that was broken when skidding the rig. Upon the first nipple up of the pad a full BOP test will be performed. A full BOP test will be completed prior to drilling the production lateral sections unless the BOP connection was not broken prior to drilling that hole section (example: drilling straight from production into production liner hole section). A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized. FORMATION No No No SHL FTP LTP No Chevron respectfully 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 nippled 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

Testing Procedure: The stack will be tested as specified in the attached testing requirements. Batch drilling of the surface, production, and production liner will take place. A full BOP test will be performed per hole section, unless approval from BLM is received otherwise (see variance request). Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test pressures and other documented tests may be recorded and documented via utilization of the IPT 'Suretec' Digital BOP Test Method in lieu of the standard test chart. In the event the IPT system is unavailable, the standard test chart will be used.

Choke Diagram Attachment:

BLM_5M_Choke_Manifold_Diagram_20240212090154.pdf

BLM_Choke_Hose_Test_Specs_and_Pressure_Test_Continental_20240212090210.pdf

BOP Diagram Attachment:

BLM_5M_Annular_10M_Rams_Stackup_and_Test_Plan_20240212090224.pdf

NM_Slim_Hole_Wellhead_6650_psi_UH_S_20240212090244.pdf

MultiBowl_Wellhead_Specs_20240617145310.pdf

CUSA_Spudder_Rig_Data_20240617145333.pdf

Visio 6 well rig layout 20240617145402.pdf

Section 3 - Casing

| Clasing | | ole Size | Csg Size | ondition | Standard | apered String | op Set MD | ottom Set MD | op Set TVD | ottom Set TVD | op Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Veight | Joint Type | collapse SF | Burst SF | oint SF Type | Joint SF | Body SF Type | Body SF |
|---------|-----|----------|----------|----------|----------|---------------|-----------|--------------|------------|---------------|------------|----------------|--------------------------------|-------|--------|------------|-------------|----------|--------------|----------|--------------|---------|
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Well Name: ZN 27 22 FED STATE COM Well Number: 601H

| Casing ID | String Type | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | Body SF |
|-----------|------------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|--------------------------------|-----------|--------|--------------------|-------------|----------|---------------|-----------|--------------|-----------|
| 1 | SURFACE | 17.5 | 13.375 | NEW | API | N | 0 | 1020 | 0 | 1020 | 3456 | 2436 | 1020 | J-55 | 54.5 | BUTT | 2.39 | 1.8 | BUOY | 16.3 5 | BUOY | 15.3 4 |
| 2 | | 12.2 5 | 9.625 | NEW | API | N | 0 | 5123 | 0 | 5063 | 3456 | -1607 | 5123 | L-80 | | OTHER - BTC/LTC | 1.34 | 1.92 | BUOY | 4.68 | BUOY | 4.52 |
| 3 | INTERMED IATE | 8.75 | 7.0 | NEW | API | N | 0 | 10977 | 0 | 10917 | 3456 | -7461 | 10977 | P- 110 | - | OTHER - BLUE/SD | 1.58 | 2.14 | BUOY | 2.93 | BUOY | 2.93 |
| 4 | PRODUCTI ON | 6.12 5 | 5.0 | NEW | API | N | 10777 | 11427 | 10597 | 11317 | -7141 | -7861 | 1000 | P- 110 | | OTHER - W513 | 1 | 2.04 | BUOY | 1.81 | BUOY | 2.85 |
| 5 | PRODUCTI ON | 6.12 5 | 4.5 | NEW | API | N | 11427 | 22391 | 11317 | 11490 | -7861 | -8034 | 1 | P- 110 | | OTHER - W521 | 1 | 2.04 | BUOY | 1.81 | BUOY | 2.85 |

| Casing | Attachments |
|--------|--------------------|
|--------|--------------------|

| Casing ID: | 1 | String | SURFACE |
|------------|---|--------|---------|
| | | | |

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

 $13.375_casing_spec_sheet_20240212090932.pdf$

Casing ID: 2 String INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

9.625_40.0lb_L80IC_BTC_20240212091134.pdf

Well Name: ZN 27 22 FED STATE COM Well Number: 601H

| Casing Attachments |
|--------------------|
|--------------------|

Casing ID: 3

String

INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

7in_Blue_vs_BlueSD_20240212091327.pdf

Casing ID: 4

String

PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

5.0_18.0ppf_P110_W513_20210927174906_20240212091457.pdf

Casing ID: 5

String

PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

 $4.5_11.6ppf_P110_TSH_W521_20220411144013_20240212091641.pdf$

Section 4 - Cement

Well Name: ZN 27 22 FED STATE COM Well Number: 601H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|--------------|-----------|---------------------|-----------|-----------|--------------|-------|---------|-------|---------|-------------|--|
| SURFACE | Lead | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| SURFACE | Tail | | 0 | 1020 | 543 | 1.63 | 13.6 | 886 | 25 | CLASS C | Extender, Antifoam, Retarder, Viscosifier |
| INTERMEDIATE | Lead | | 0 | 4123 | 733 | 2.29 | 11.5 | 1677 | 25 | CLASS C | Extender, Antifoam, Retarder, Viscosifier |
| INTERMEDIATE | Tail | | 4123 | 5123 | 263 | 1.63 | 12.6 | 429 | 25 | CLASS C | Extender, Antifoam, Retarder, Viscosifier |
| INTERMEDIATE | Lead | | 0 | 9977 | 490 | 3.52 | 10.5 | 1724 | 25 | CLASS C | Extender, Antifoam, Retarder, Viscosifier |
| INTERMEDIATE | Tail | | 9977 | 1097 7 | 124 | 1.52 | 12.6 | 188 | 25 | CLASS C | Extender, Antifoam, Retarder, Viscosifier |
| PRODUCTION | Lead | | 1077 7 | 2239 1 | 899 | 1.52 | 12.6 | 1367 | 25 | CLASS C | Extender, Antifoam, Retarder, Viscosifier |

Section 5 - Circulating Medium

Mud System Type: Open

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: A weighting agent and lost circulating material (LCM) will be onsite to mitigate pressure or lost circulation as hole conditions dictate. All fluids and cuttings will be disposed of in accordance with New Mexico Oil Conservation Division rules and regulations. And transportating of E&P waste will follow EPA regulations and accompanying manifests. OBM Spud Mud Saturated brine would be used through salt sections. If an open reserve pit is not approved by OCD, a closed system will be used consisting of above ground steel tanks and 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. If an open reserve pit is in place, pit construction, operation, and closure will follow all applicable rules and regulation. Sanitary wastes will be contained in a chemical porta-toilet and then hauled to an approved sanitary landfill

Describe the mud monitoring system utilized: 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

Circulating Medium Table

Well Name: ZN 27 22 FED STATE COM Well Number: 601H

| Top Depth | Bottom Depth | Mud Type | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | ЬН | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|--------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|---|
| 0 | 1020 | SPUD MUD | 8.3 | 8.9 | | | | | | | |
| 1020 | 5123 | SALT SATURATED | 8.3 | 10 | | | | | | | Saturated brine would be used through salt sections |
| 5123 | 1097 7 | WATER-BASED MUD | 8.5 | 9.5 | | | | | | | |
| 1097 7 | 2239 1 | OIL-BASED MUD | 10 | 13 | | | | | | | Due to wellbore instability in the lateral, may exceed the MW weight window needed to maintain overburden stresses |

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

- a. Production tests are not planned.
- b.Logs run include: Gamma Ray Log, Directional Survey, mud loggers (while drilling)
- c.Coring Operations are not planned.
- d.Open-hole logging program in pilot hole may include quad combo, NMR, dielectric, PVT, accelerated DFIT, RDD

List of open and cased hole logs run in the well:

GAMMA RAY LOG, DIRECTIONAL SURVEY,

Coring operation description for the well:

Coring Operations are not planned

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7768 Anticipated Surface Pressure: 5240

Anticipated Bottom Hole Temperature(F): 200

Anticipated abnormal pressures, temperatures, or potential geologic hazards? YES

Describe:

Pressure ramp begins in the bottom of the Third Bone Spring formation

Contingency Plans geoharzards description:

Casing design accounts for pressure ramp.- Mud weighting agents available on location to increase drilling fluid density.-BOP, choke, and well control drills.- BOP functioned and pressure tested

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Well Name: ZN 27 22 FED STATE COM Well Number: 601H

Hydrogen sulfide drilling operations

H2S_Contingency_Plan_20240212093631.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

DefPlan100ft_ZN_2722FedStateCom601HST01_R0_20240212094328.pdf ZN_27_22_FED_STATE_COM_601H___9_Point_Plan_22Apr24_20240617145204.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Gas_Management_Plan___ZION_PAD_2_20240212094415.pdf
Operational_Best_Management_Practices_20240212094424.pdf
ZN_27_22_FED_STATE_COM_601H_Pilot_Hole_Wellbore_Diagram_20240215072156.pdf

Other Variance attachment:

Schlumberger

ZN 27 22 Fed State Com 601H ST01 R0 mdv 24Oct22 Proposal **Geodetic Report**

(Def Plan)

October 27, 2022 - 01:06 PM Report Date: Chevron NM, Lea County (NAD 27 EZ) Client: Field: Chevron Zion Pad 2 / 601H ZN Acadia 27 22 Fed State Com 601H Structure / Slot: Well: Borehole: ZN Acadia 27 22 Fed State Com 601H ST01

UWI / API#: Unknown / Unknown Survey Name: ZN Acadia 27 22 Fed State Com 601H ST01 R0 mdv 24Oct22

Survey Date: Tort / AHD / DDI / ERD Ratio: October 24, 2022 118.263 ° / 11688.993 ft / 6.430 / 1.017

Coordinate Reference System: Location Lat / Long: NAD27 New Mexico State Plane, Eastern Zone, US Feet N 32° 15' 59.10746", W 103° 27' 12.17753"

Location Grid N/E Y/X: CRS Grid Convergence Angle: N 461756.000 ftUS, E 771993.000 ftUS 0.4698 ° Grid Scale Factor: 0.9999382 Version / Patch: 2.10.833.1

Survey / DLS Computation: Vertical Section Azimuth: Vertical Section Origin: TVD Reference Datum: TVD Reference Elevation: Seabed / Ground Elevation: Magnetic Declination: 6.308° Total Gravity Field Strength:

Gravity Model: Total Magnetic Field Strength: Magnetic Dip Angle: Declination Date: Magnetic Declination Model: North Reference: Grid Convergence Used: Total Corr Mag North->Grid

North: Local Coord Referenced To: NS

Minimum Curvature / Lubinski 359.490 ° (Grid North) 0.000 ft, 0.000 ft KB 28ft 3484.000 ft above MSL 3456.000 ft above MSL

998.4619mgn (9.80665 Based) GARM 47552.419 nT 59.821 ° October 24, 2022 HDGM 2022 Grid North 0.4698° 5.8382° 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 ° ' ") |
|--------------------------------------|----------------------|----------------|------------------|----------------------|--------------------|--------------------|--------------------|------------------|------------------------|----------------------------|------------------------------------|--------------------------|
| Tie-In, Build 10°/100ft | 10977.36 | 0.00 | 279.14 | 10917.44 | 100.89 | 95.60 | -594.42 | N/A | 461851.60 | | N 32 16 0.10 V | |
| Second Bone Spring Upper (SBU) | 10979.03 | 0.17 | 359.54 | 10919.11 | 100.89 | 95.60 | -594.42 | 10.00 | 461851.60 | 771398.59 N | I 32 16 0.10 V | V 103 27 19.09 |
| (300) | 11000.00 | 2.26 | 359.54 | 10940.08 | 101.33 | 96.05 | -594.42 | 10.00 | 461852.05 | 771398.58 N | N 32 16 0.11 V | V 103 27 19.09 |
| | 11100.00 | 12.26 | 359.54 | 11039.15 | 113.96 | 108.67 | -594.52 | 10.00 | 461864.67 | 771398.48 N | | |
| | 11200.00 | 22.26 | 359.54 | 11134.52 | 143.60 | 138.31 | -594.76 | 10.00 | 461894.31 | 771398.24 N | | |
| | 11300.00 | 32.26 | 359.54 | 11223.30 | 189.35 | 184.06 | -595.13 | 10.00 | 461940.06 | 771397.88 N | N 32 16 0.98 V | V 103 27 19.09 |
| Third Bone | 11397.18 | 41.98 | 359.54 | 11300.69 | 247.93 | 242.64 | -595.59 | 10.00 | 461998.64 | 771397 41 N | I 32 16 1.56 V | V 103 27 19 09 |
| Spring | | | | | | 244.53 | | | | | | |
| | 11400.00 | 42.26 52.26 | 359.54 359.54 | 11302.78 | 249.83 323.18 | 244.53 317.89 | -595.61 | 10.00 10.00 | 462000.53 | 771397.40 F | N 3216 1.58 V N 3216 2.30 V | |
| | 11500.00 11600.00 | 52.26 62.26 | 359.54 359.54 | 11370.56 11424.57 | 323.18 407.19 | 317.89 401.89 | -596.20 -596.87 | 10.00 | 462073.88 462157.89 | 771396.81 F | | |
| | 11700.00 | 72.26 | 359.54 | 11463.17 | 499.30 | 494.00 | -597.60 | 10.00 | 462250.00 | 771395.14 P | | |
| | 11800.00 | 82.26 | 359.54 | 11485.19 | 596.72 | 591.42 | -598.38 | 10.00 | 462347.41 | 771394.62 N | | |
| Landing Point | 11878.82 | 90.15 | 359.54 | 11490.40 | 675.30 | 670.00 | -599.01 | 10.00 | 462425.99 | 771394.00 N | | |
| FTP Cross | 11878.92 | 90.15 | 359.54 | 11490.40 | 675.41 | 670.10 | -599.01 | 0.00 | 462426.09 | | 1 32 16 5.79 V | |
| | 11900.00 | 90.15 | 359.54 | 11490.34 | 696.48 | 691.18 | -599.18 | 0.00 | 462447.17 | 771393.83 N | | |
| | 12000.00 | 90.15 | 359.54 | 11490.09 | 796.48 | 791.18 | -599.98 | 0.00 | 462547.17 | 771393.03 N | | |
| | 12100.00 | 90.15 | 359.54 | 11489.84 | 896.48 | 891.17 | -600.77 | 0.00 | 462647.16 | 771392.23 N | | |
| | 12200.00 | 90.15 | 359.54 | 11489.58 | 996.48 | 991.17 | -601.57 | 0.00 | 462747.16 | 771391.43 N | | |
| | 12300.00 | 90.15 | 359.54 | 11489.33 | 1096.48 | 1091.16 | -602.37 | 0.00 | 462847.16 | 771390.63 N | | |
| | 12400.00 | 90.15 | 359.54 | 11489.07 | 1196.48 | 1191.16 | -603.17 | 0.00 | 462947.15 | 771389.83 N | N 32 16 10.94 V | V 103 27 19.09 |
| | 12500.00 | 90.15 | 359.54 | 11488.82 | 1296.48 | 1291.16 | -603.97 | 0.00 | 463047.15 | | N 32 16 11.93 V | |
| | 12600.00 | 90.15 | 359.54 | 11488.56 | 1396.48 | 1391.15 | -604.77 | 0.00 | 463147.14 | 771388.24 N | | |
| | 12700.00 | 90.15 | 359.54 | 11488.31 | 1496.48 | 1491.15 | -605.57 | 0.00 | 463247.14 | 771387.44 N | | |
| | 12800.00 | 90.15 | 359.54 | 11488.05 | 1596.48 | 1591.15 | -606.37 | 0.00 | 463347.13 | 771386.64 N | | |
| | 12900.00 | 90.15 | 359.54 | 11487.80 | 1696.48 | 1691.14 | -607.17 | 0.00 | 463447.13 | 771385.84 N | | |
| | 13000.00 | 90.15 | 359.54 | 11487.54 | 1796.48 | 1791.14 | -607.96 | 0.00 | 463547.13 | 771385.04 N | | |
| | 13100.00 | 90.15 | 359.54 | 11487.29 | 1896.48 | 1891.14 | -608.76 | 0.00 | 463647.12 | | N 32 16 17.87 V | |
| | 13200.00 | 90.15 | 359.54 | 11487.03 | 1996.48 | 1991.13 | -609.56 | 0.00 | 463747.12 | 771383.44 N | | |
| | 13300.00 | 90.15 | 359.54 | 11486.78 | 2096.48 | 2091.13 | -610.36 | 0.00 | 463847.11 | | N 32 16 19.85 V | |
| | 13400.00 | 90.15 | 359.54 | 11486.52 | 2196.48 | 2191.13 | -611.16 | 0.00 | 463947.11 | | N 32 16 20.84 V | |
| | 13500.00 13600.00 | 90.15 90.15 | 359.54 359.54 | 11486.27 11486.01 | 2296.48 2396.48 | 2291.12 2391.12 | -611.96 -612.76 | 0.00 0.00 | 464047.10 464147.10 | 771381.05 N 771380.25 N | N 32 16 21.83 V N 32 16 22.82 V | |
| | 13700.00 | 90.15 | 359.54 | 11485.76 | 2496.48 | 2491.12 | -613.56 | 0.00 | 464247.09 | 771379.45 N | | |
| | 13800.00 | 90.15 | 359.54 | 11485.50 | 2596.48 | 2591.11 | -614.36 | 0.00 | 464347.09 | 771378.65 N | | |
| | 13900.00 | 90.15 | 359.54 | 11485.25 | 2696.48 | 2691.11 | -615.15 | 0.00 | 464447.09 | 771375.85 N | | |
| | 14000.00 | 90.15 | 359.54 | 11484.99 | 2796.48 | 2791.10 | -615.95 | 0.00 | 464547.08 | | N 32 16 26.78 V | |
| | 14100.00 | 90.15 | 359.54 | 11484.74 | 2896.48 | 2891.10 | -616.75 | 0.00 | 464647.08 | 771376.25 N | N 32 16 27.77 V | V 103 27 19 08 |
| | 14200.00 | 90.15 | 359.54 | 11484.48 | 2996.48 | 2991.10 | -617.55 | 0.00 | 464747.07 | 771375.45 N | | |
| | 14300.00 | 90.15 | 359.54 | 11484.23 | 3096.48 | 3091.09 | -618.35 | 0.00 | 464847.07 | | N 32 16 29.74 V | V 103 27 19.08 |
| | 14400.00 | 90.15 | 359.54 | 11483.97 | 3196.48 | 3191.09 | -619.15 | 0.00 | 464947.06 | | N 32 16 30.73 V | |
| | 14500.00 | 90.15 | 359.54 | 11483.72 | 3296.48 | 3291.09 | -619.95 | 0.00 | 465047.06 | 771373.06 N | | |
| | 14600.00 | 90.15 | 359.54 | 11483.46 | 3396.47 | 3391.08 | -620.75 | 0.00 | 465147.06 | 771372.26 N | N 32 16 32.71 V | |
| | 14700.00 | 90.15 | 359.54 | 11483.21 | 3496.47 | 3491.08 | -621.54 | 0.00 | 465247.05 | 771371.46 N | N 32 16 33.70 V | V 103 27 19.08 |
| | 14800.00 | 90.15 | 359.54 | 11482.95 | 3596.47 | 3591.08 | -622.34 | 0.00 | 465347.05 | 771370.66 N | | |
| | 14900.00 | 90.15 | 359.54 | 11482.70 | 3696.47 | 3691.07 | -623.14 | 0.00 | 465447.04 | 771369.86 N | | |
| | 15000.00 | 90.15 | 359.54 | 11482.44 | 3796.47 | 3791.07 | -623.94 | 0.00 | 465547.04 | | N 32 16 36.67 V | |
| | 15100.00 | 90.15 | 359.54 | 11482.19 | 3896.47 | 3891.07 | -624.74 | 0.00 | 465647.03 | 771368.26 N | | |
| | 15200.00 | 90.15 | 359.54 | 11481.93 | 3996.47 | 3991.06 | -625.54 | 0.00 | 465747.03 | 771367.47 N | | |
| | 15300.00 | 90.15 | 359.54 | 11481.68 | 4096.47 | 4091.06 | -626.34 | 0.00 | 465847.03 | 771366.67 N | | V 103 27 19.08 |
| | 15400.00 | 90.15 | 359.54 | 11481.42 | 4196.47 | 4191.06 | -627.14 | 0.00 | 465947.02 | 771365.87 N | | |
| | 15500.00 | 90.15 | 359.54 | 11481.17 | 4296.47 | 4291.05 | -627.94 | 0.00 | 466047.02 | 771365.07 N | | |
| | 15600.00 | 90.15 | 359.54 | 11480.91 | 4396.47 | 4391.05 | -628.73 | 0.00 | 466147.01 | | N 32 16 42.61 V | |
| | 15700.00 | 90.15 | 359.54 | 11480.66 | 4496.47 | 4491.05 | -629.53 | 0.00 | 466247.01 | 771363.47 N | | |
| | 15800.00 15900.00 | 90.15 | 359.54 | 11480.41 11480.15 | 4596.47 4696.47 | 4591.04 4691.04 | -630.33 -631.13 | 0.00 0.00 | 466347.00 466447.00 | 771362.67 N | | |
| | | 90.15 | 359.54 | | 4696.47 4796.47 | 4691.04 4791.03 | -631.13 -631.93 | 0.00 | 466547.00 | 771361.87 N | | |
| | 16000.00 16100.00 | 90.15 90.15 | 359.54 359.54 | 11479.90 11479.64 | 4796.47 4896.47 | 4891.03 | -631.93 -632.73 | 0.00 | 466646.99 | 771361.08 N 771360.28 N | | |
| | 16200.00 | 90.15 | 359.54 | 11479.39 | 4996.47 | 4991.03 | -633.53 | 0.00 | 466746.99 | 771359.48 N | | |
| | 16300.00 | 90.15 | 359.54 | 11479.13 | 5096.47 | 5091.02 | -634.33 | 0.00 | 466846.98 | | N 32 16 49.53 V | |
| | 16400.00 | 90.15 | 359.54 | 11478.88 | 5196.47 | 5191.02 | -635.13 | 0.00 | 466946.98 | | N 32 16 49.53 V N 32 16 50.52 V | |
| | 16500.00 | 90.15 | 359.54 | 11478.62 | 5296.47 | 5291.02 | -635.92 | 0.00 | 467046.97 | | N 32 16 50.52 V | |
| | 16600.00 | 90.15 | 359.54 | 11478.37 | 5396.47 | 5391.01 | -636.72 | 0.00 | 467146.97 | | N 32 16 52.50 V | |
| | 16700.00 | 90.15 | 359.54 | 11478.11 | 5496.47 | 5491.01 | -637.52 | 0.00 | 467246.96 | 771355.48 N | | |
| | 16800.00 | 90.15 | 359.54 | 11477.86 | 5596.47 | 5591.01 | -638.32 | 0.00 | 467346.96 | 771354.68 N | | |
| | 16900.00 | 90.15 | 359.54 | 11477.60 | 5696.47 | 5691.00 | -639.12 | 0.00 | 467446.96 | | N 32 16 55.47 V | |
| | 17000.00 | 90.15 | 359.54 | 11477.35 | 5796.47 | 5791.00 | -639.92 | 0.00 | 467546.95 | 771353.09 N | | |
| | 17100.00 | 90.15 | 359.54 | 11477.09 | 5896.47 | 5891.00 | -640.72 | 0.00 | 467646.95 | | N 32 16 57.45 V | |
| MP, Turn 2°/100ft | 17136.05 | 90.15 | 359.54 | 11477.00 | 5932.52 | 5927.05 | -641.01 | 0.00 | 467683.00 | | N 32 16 57.81 V | |
| Hold to TD | 17141.52 | 90.15 | 359.43 | 11476.99 | 5937.98 | 5932.51 | -641.05 | 2.00 | 467688.46 | 771351 95 N | N 32 16 57.86 V | V 103 27 10 0º |
| IOIU IO I D | 17141.52 | 90.15 | 359.43 | 11476.99 | 5937.96 5996.47 | 5990.99 | -641.63 | 0.00 | 467746.94 | | N 32 16 57.86 V N 32 16 58.44 V | |
| | 17300.00 | 90.15 | 359.43 | 11476.58 | 6096.46 | 6090.99 | -642.62 | 0.00 | 467746.94 | | N 32 16 56.44 V N 32 16 59.43 V | |
| | | au. 10 | | 11470.00 | | | | | | | • UZ IU US.43 V | |
| | | Q0 15 | 350.43 | 11476 33 | 6196 46 | 6190 98 | -643 61 | 0.00 | 467046 03 | 7713/0 30 N | J 32 17 0 42 W | N 103 27 10 00 |
| | 17400.00 17500.00 | 90.15 90.15 | 359.43 359.43 | 11476.33 11476.07 | 6196.46 6296.46 | 6190.98 6290.98 | -643.61 -644.60 | 0.00 0.00 | 467946.93 468046.92 | | N 32 17 0.42 V N 32 17 1.41 V | |

...ZN Acadia 27 22 Fed State Com 601H ST01\ZN Acadia 27 22 Fed State Com 601H ST01 R0 mdv 24Oct22

| Comments | MD | Incl | Azim Grid | TVD | VSEC | NS | EW | DLS | Northing | Easting | Latitude | Longitude |
|----------------------------------|----------------------|----------------|------------------|----------------------|----------------------|----------------------|--------------------|--------------|------------------------|-----------|--------------------------------|----------------|
| Comments | (ft) | (°) | (°) | (ft) | (ft) | (ft) | (ft) | (°/100ft) | (ftUS) | (ftUS) | (N/S ° ' ") | (E/W ° ' ") |
| | 17700.00 | 90.15 | 359.43 | 11475.56 | 6496.46 | 6490.97 | -646.58 | 0.00 | 468246.91 | 771346.42 | | W 103 27 19.09 |
| | 17800.00 | 90.15 | 359.43 | 11475.30 | 6596.46 | 6590.96 | -647.57 | 0.00 | 468346.91 | 771345.43 | | W 103 27 19.09 |
| | 17900.00 | 90.15 | 359.43 | 11475.05 | 6696.46 | 6690.95 | -648.56 | 0.00 | 468446.90 | | N 32 17 5.37 | |
| | 18000.00 | 90.15 | 359.43 | 11474.79 | 6796.46 | 6790.95 | -649.55 | 0.00 | 468546.89 | | N 32 17 6.36 | |
| | 18100.00 | 90.15 | 359.43 | 11474.53 | 6896.46 | 6890.94 | -650.54 | 0.00 | 468646.89 | | N 32 17 7.35 | |
| | 18200.00 | 90.15 | 359.43 | 11474.28 | 6996.46 | 6990.94 | -651.53 | 0.00 | 468746.88 | | N 32 17 8.34 | |
| | 18300.00 | 90.15 | 359.43 | 11474.02 | 7096.46 | 7090.93 | -652.52 | 0.00 | 468846.88 | | N 32 17 9.33 | |
| | 18400.00 | 90.15 | 359.43 | 11473.77 | 7196.46 | 7190.93 | -653.51 | 0.00 | 468946.87 | | N 32 17 10.32 | |
| | 18500.00 | 90.15 | 359.43 | 11473.51 | 7296.46 | 7290.92 | -654.50 | 0.00 | 469046.86 | | N 32 17 11.30 | |
| | 18600.00 | 90.15 | 359.43 | 11473.26 | 7396.46 | 7390.92 | -655.49 | 0.00 | 469146.86 | | N 32 17 12.29 | |
| | 18700.00 | 90.15 | 359.43 | 11473.00 | 7496.46 | 7490.91 | -656.48 | 0.00 | 469246.85 | | N 32 17 13.28 | |
| | 18800.00 | 90.15 | 359.43 | 11472.74 | 7596.46 | 7590.91 | -657.47 | 0.00 | 469346.85 | | N 32 17 14.27 | |
| | 18900.00 | 90.15 | 359.43 | 11472.49 | 7696.46 | 7690.90 | -658.46 | 0.00 | 469446.84 | | N 32 17 15.26 | |
| | 19000.00 | 90.15 | 359.43 | 11472.23 | 7796.46 | 7790.90 | -659.45 | 0.00 | 469546.83 | | N 32 17 16.25 | |
| | 19100.00 | 90.15 | 359.43 | 11471.98 | 7896.46 | 7890.89 | -660.43 | 0.00 | 469646.83 | | N 32 17 17.24 | |
| | 19200.00 | 90.15 | 359.43 | 11471.72 | 7996.46 | 7990.89 | -661.42 | 0.00 | 469746.82 | | N 32 17 18.23 | |
| | 19300.00 | 90.15 | 359.43 | 11471.47 | 8096.46 | 8090.88 | -662.41 | 0.00 | 469846.82 | | N 32 17 19.22 | |
| | 19400.00 | 90.15 | 359.43 | 11471.21 | 8196.46 | 8190.88 | -663.40 | 0.00 | 469946.81 | | N 32 17 20.21 | |
| | 19500.00 | 90.15 | 359.43 | 11470.95 | 8296.46 | 8290.87 | -664.39 | 0.00 | 470046.80 | | N 32 17 21.20 | |
| | 19600.00 | 90.15 | 359.43 | 11470.70 | 8396.46 | 8390.87 | -665.38 | 0.00 | 470146.80 | | N 32 17 22.19 | |
| | 19700.00 | 90.15 | 359.43 | 11470.44 | 8496.46 | 8490.86 | -666.37 | 0.00 | 470246.79 | | N 32 17 23.18 | |
| | 19800.00 | 90.15 | 359.43 | 11470.19 | 8596.46 | 8590.86 | -667.36 | 0.00 | 470346.79 | | N 32 17 24.17 | |
| | 19900.00 | 90.15 | 359.43 | 11469.93 | 8696.45 | 8690.85 | -668.35 | 0.00 | 470446.78 | | N 32 17 25.16 | |
| | 20000.00 | 90.15 | 359.43 | 11469.68 | 8796.45 | 8790.84 | -669.34 | 0.00 | 470546.77 | | N 32 17 26.15 | |
| | 20100.00 | 90.15 | 359.43 | 11469.42 | 8896.45 | 8890.84 | -670.33 | 0.00 | 470646.77 | | N 32 17 27.14 | |
| | 20200.00 | 90.15 | 359.43 | 11469.16 | 8996.45 | 8990.83 | -671.32 | 0.00 | 470746.76 | | N 32 17 28.13 | |
| | 20300.00 | 90.15 | 359.43 | 11468.91 | 9096.45 | 9090.83 | -672.31 | 0.00 | 470846.75 | | N 32 17 29.12 | |
| | 20400.00 | 90.15 | 359.43 | 11468.65 | 9196.45 | 9190.82 | -673.30 | 0.00 | 470946.75 | | N 32 17 30.11 | |
| | 20500.00 | 90.15 | 359.43 | 11468.40 | 9296.45 | 9290.82 | -674.29 | 0.00 | 471046.74 | | N 32 17 31.10 | |
| | 20600.00 | 90.15 | 359.43 | 11468.14 | 9396.45 | 9390.81 | -675.28 | 0.00 | 471146.74 | | N 32 17 32.08 | |
| | 20700.00 | 90.15 | 359.43 | 11467.89 | 9496.45 | 9490.81 9590.80 | -676.27 -677.26 | 0.00 | 471246.73 | | N 32 17 33.07 | |
| | 20800.00 | 90.15 | 359.43 | 11467.63 | 9596.45 | | | 0.00 | 471346.72 | | N 32 17 34.06 | |
| | 20900.00 21000.00 | 90.15 90.15 | 359.43 359.43 | 11467.37 | 9696.45 9796.45 | 9690.80 | -678.25 -679.24 | 0.00 | 471446.72 471546.71 | | N 32 17 35.05 | |
| | | | | 11467.12 | | 9790.79 | | | | | N 32 17 36.04 | |
| | 21100.00 | 90.15 | 359.43 | 11466.86 | 9896.45 | 9890.79 | -680.23 -681.22 | 0.00 | 471646.71 | | N 32 17 37.03 | |
| | 21200.00 21300.00 | 90.15 | 359.43 | 11466.61 | 9996.45 | 9990.78 10090.78 | -682.21 | 0.00 | 471746.70 471846.69 | | N 32 17 38.02 | |
| | 21400.00 | 90.15 90.15 | 359.43 359.43 | 11466.35 11466.10 | 10096.45 10196.45 | 10190.77 | -683.20 | 0.00 0.00 | 471946.69 | | N 32 17 39.01 N 32 17 40.00 | |
| | | | | | | | -684.18 | | | | | |
| | 21500.00 21600.00 | 90.15 90.15 | 359.43 359.43 | 11465.84 11465.58 | 10296.45 10396.45 | 10290.77 10390.76 | -685.17 | 0.00 | 472046.68 472146.68 | | N 32 17 40.99 | |
| | 21700.00 | 90.15 | 359.43 | 11465.33 | 10396.45 | 10390.76 | -686.16 | 0.00 | 472246.67 | | N 32 17 41.98 N 32 17 42.97 | |
| | 21800.00 | | | | | | -687.15 | | | | N 32 17 42.97 N 32 17 43.96 | |
| | | 90.15 | 359.43 | 11465.07 | 10596.45 | 10590.75 | | 0.00 | 472346.66 | | | |
| | 21900.00 22000.00 | 90.15 90.15 | 359.43 359.43 | 11464.82 11464.56 | 10696.45 10796.45 | 10690.75 10790.74 | -688.14 -689.13 | 0.00 | 472446.66 472546.65 | | N 32 17 44.95 N 32 17 45.94 | |
| | 22000.00 | | 359.43 359.43 | | 10796.45 | 10790.74 | -689.13 -690.12 | 0.00 | 472546.65 472646.65 | | | |
| | | 90.15 | | 11464.31 | | 10890.74 | | | | | N 32 17 46.93 | |
| | 22200.00 | 90.15 | 359.43 | 11464.05 | 10996.45 | | -691.11 -692.10 | 0.00 | 472746.64 | | N 32 17 47.92 | |
| LPT Cross | 22300.00 | 90.15 | 359.43 | 11463.79 | 11096.45 | 11090.72 | | | 472846.63 | | N 32 17 48.91 | |
| | 22316.67 | 90.15 | 359.43 | 11463.75 | 11113.11 | 11107.39 | -692.27 | 0.00 | 472863.30 | 771300.74 | N 32 17 49.07 | W 103 27 19.18 |
| ZN Acadia 27 22 Fed State Com | 22391.37 | 90.15 | 359.43 | 11463.56 | 11187.82 | 11182.09 | -693.01 | 0.00 | 472938.00 | 771200.00 | N 32 17 49.81 | M 102 27 10 10 |
| | 22391.37 | 90.15 | 339.43 | 11403.30 | 11107.02 | 11102.09 | -093.01 | 0.00 | 412930.00 | 111300.00 | IN 32 17 49.01 | W 103 27 19.16 |
| 601H BHL | | | | | | | | | | | | |

Survey Type:

Def Plan

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

| _ | Description | Part | MD From (ft) | MD To (ft) | EOU Freq (ft) | Hole Size Casi (in) | ng Diameter (in) | Expected Max Inclination (deg) | Survey Tool Type | Borehole / Survey |
|---|-------------|------|-----------------|---------------|------------------|------------------------|---------------------|--------------------------------------|-------------------------------|--|
| | | 1 | 0.000 | 28.000 | 1/100.000 | 17.500 | 13.375 | | B001Mb_MWD+HRGM-Depth Only | ZN Acadia 27 22 Fed State Com 601H / ZN Acadia 27 22 Fed State Com 601H Pilot R0 mdv |
| | | 1 | 28.000 | 10977.360 | 1/100.000 | 17.500 | 13.375 | | B001Mb_MWD+HRGM | ZN Acadia 27 22 Fed State Com 601H / ZN Acadia 27 22 Fed |
| | | 1 | 10977.360 | 22391.371 | 1/100.000 | 17.500 | 13.375 | | B001Mb_MWD+HRGM | ZN Acadia 27 22 Fed State Com 601H ST01 / ZN Acadia 27 22 |

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: CHEVRON USA INCORPORATED
WELL NAME & NO.: ZN 27 22 FED STATE COM 601H
SURFACE HOLE FOOTAGE: 650'/N & 1387'/E
BOTTOM HOLE FOOTAGE 25'/N & 1980'/E
LOCATION: Section 34, T.23 S., R.34 E., NMP
COUNTY: Lea County, New Mexico

 \mathbf{COA}

| H2S | • Yes | O No | |
|----------------------|------------------|-----------------------------|------------------|
| Potash | None | © Secretary | © R-111-P |
| Cave/Karst Potential | • Low | © Medium | C High |
| Cave/Karst Potential | Critical | | |
| Variance | O None | • Flex Hose | Other |
| Wellhead | Conventional | Multibowl | O Both |
| Wellhead Variance | O Diverter | | |
| Other | □4 String | ☐ Capitan Reef | □WIPP |
| Other | Fluid Filled | ☐ Pilot Hole | ☐ Open Annulus |
| Cementing | ☐ Contingency | ☐ EchoMeter | ☐ Primary Cement |
| | Cement Squeeze | | Squeeze |
| Special Requirements | ☐ Water Disposal | ▼ COM | □ Unit |
| Special Requirements | ☐ Batch Sundry | | |
| Special Requirements | Break Testing | □ Offline | ☐ Casing |
| Variance | | Cementing | Clearance |

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated AT SPUD. As a result, the Hydrogen Sulfide area must meet 43 CFR part 3170 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Primary Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately 1020 feet Per BLM Geologist (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface. The surface hole shall be 16 inch or 17.5 inch in diameter.

- 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 **8 hours** 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.

Operator is approved to use contingency cementing for the Intermediate and Production section. Operator shall notify the BLM before proceeding with contingency operation.

- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - 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.
- 3. The minimum required fill of cement behind the 7 inch intermediate casing is:
 - Cement should tie-back at least 200 feet into previous casing string.
 Operator shall provide method of verification.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.
- 4. The minimum required fill of cement behind the 5 X 4-1/2 inch production liner is:
 - Cement should tie-back 100 feet into the previous casing. Operator shall provide method of verification.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Production liner must be kept fluid filled to meet BLM minimum collapse requirement.

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).'
- Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the 13-3/8 inch 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. Variance is approved to use a 5000 (5M) Annular which shall be tested to 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.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in Onshore Order 1 and 2.
- 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.

(Note: For a minimum 5M BOPE or less (Utilizing a 10M BOPE system) BOPE Break Testing Variance

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. (Annular preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP)
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- 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 (575-706-2779) 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. (200' TVD tolerance between intermediate shoes is allowable).
- The BLM is to be contacted (575-689-5981 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.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

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

EMAIL or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,

BLM_NM_CFO_DrillingNotifications@BLM.GOV (575) 361-2822

- ✓ Lea CountyCall 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 **43 CFR part 3170 Subpart 3172** 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 intergrity 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 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 43 CFR part 3170 Subpart 3172 and API STD 53 Sec. 5.3.
- 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 cement), 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** 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 43 CFR part 3170 Subpart 3172.

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.

JS 5/3/2024



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 Training Certification

All employees and visitors will be issued an H_2S training certification card (or certificate) upon successful completion of the appropriate H_2S training course. Personnel working in an H_2S environment will carry a current H_2S 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.



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> | Telephone Number |
|------------------------------------|------------------|
| Lea County Sheriff's Department | 575-396-3611 |
| Fire Department: | |
| Carlsbad | 575-885-3125 |
| Artesia | 575-746-5050 |
| Lea County Regional Medical Center | 575-492-5000 |
| Jal Community Hospital | 505-395-2511 |
| Lea County Emergency Management | 575-396-8602 |
| Poison Control Center | 800-222-1222 |

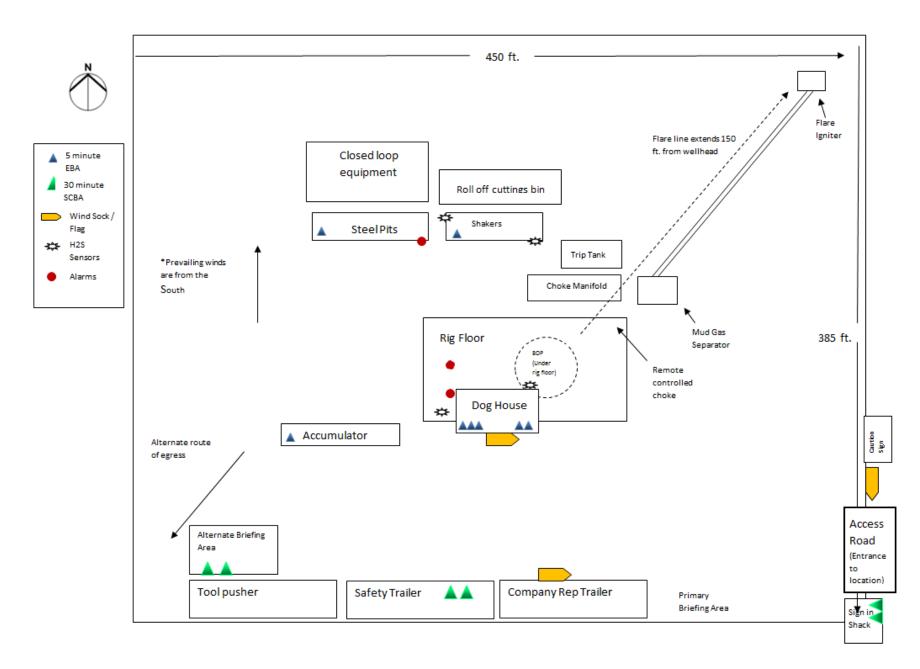


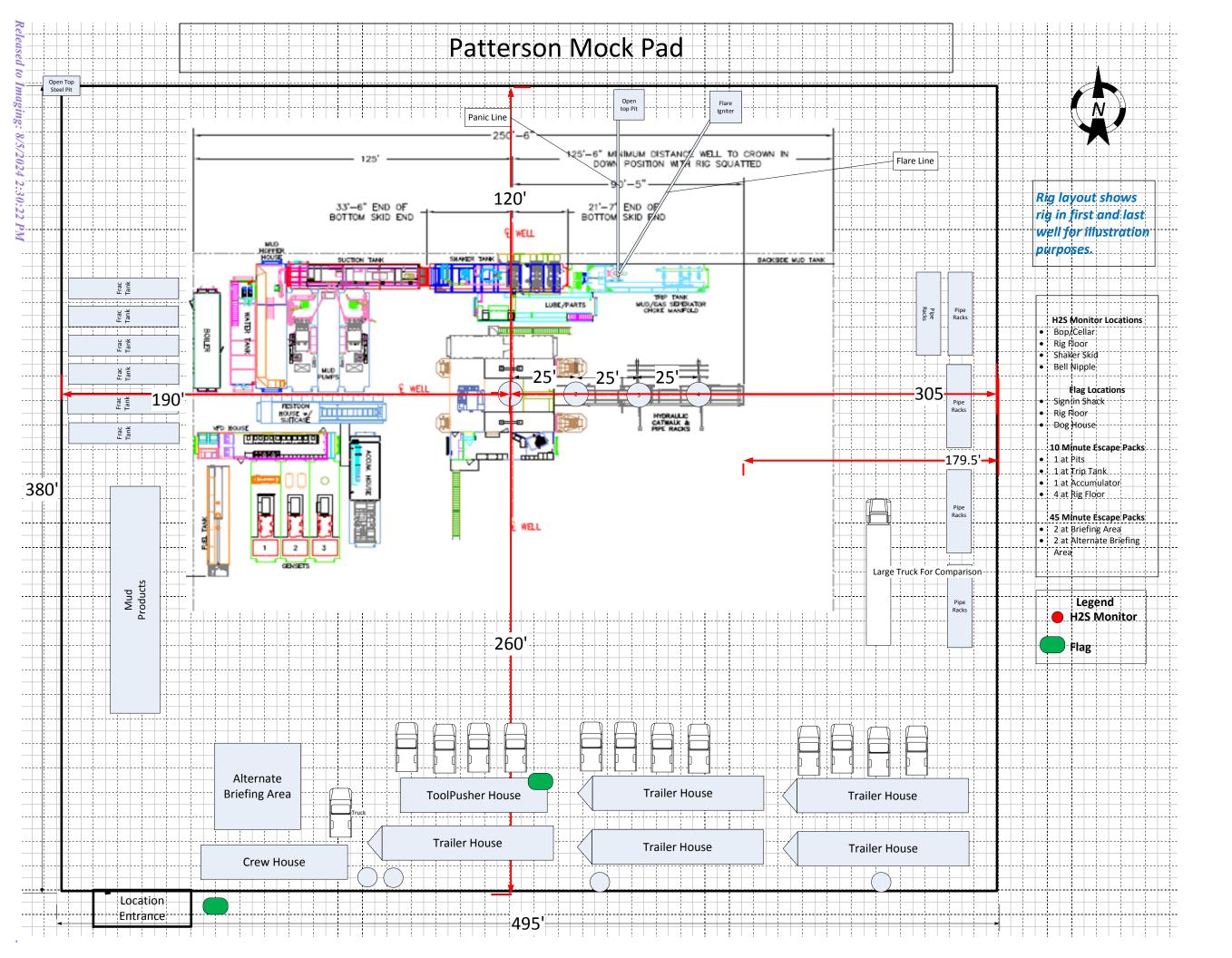
Chevron MCBU D&C Emergency Notifications

Below are lists of contacts to be used in emergency situations.

| | Name | Title | Office Number | Cell Phone |
|----|------------------|---------------------|----------------|------------|
| 1. | TBD | Drilling Engineer | | |
| 2. | Sergio Hernandez | Superintendent | 713 372 1402 | |
| 5. | Dennis Mchugh | Drilling Manager | (713) 372-4496 | |
| 6. | Kyle Eastman | Operations Manager | 713-372-5863 | |
| 7. | TBD | D&C HES | | |
| 8. | TBD | Completion Engineer | | |







| Inten | t | As Dril | led | | | | | | | | | | |
|------------------------|-------------------------|-------------------|-------------|---------|-----------------|-----------|--------|----------|---------|------|--------|------------|---------------|
| API# | | | | | | | | | | | | | |
| Ope | rator Nai | me: | | | | Propert | y Nam | ne: | | | | | Well Number |
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| /ick (| Off Doint | (KOD) | | | | | | | | | | | |
| UL | Off Point Section | Township | Range | Lot | Feet | Fro | m N/S | Feet | | From | E/W | County | |
| Latitu | nde | | | | Longitu | ıde | | | | | | NAD | |
| | | | | | | | | | | | | | |
| irst ⁻ | Гаке Poir | nt (FTP) | | | | | | | | | | | |
| UL | Section | Township | Range | Lot | Feet | Fro | m N/S | Feet | | From | E/W | County | |
| Latitu | ıde | l | | 1 | Longitu | ıde | | L | | | | NAD | |
| .ast 1 UL Latitu | Section | t (LTP) Township | Range | Lot | Feet Longitu | From N/ | 'S Fe | eet | From E/ | | Count | у | |
| Lutite | Juc | | | | Longite | , uc | | | | | 147.15 | | |
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| s this | s well an | infill well? | | | | | | | | | | | |
| | | | | | _ | | | | | | | | |
| | ll is yes p ng Unit. | lease provi | ide API if | availal | ble, Opei | rator Nan | ne and | d well n | umber f | or D | efinir | ng well fo | or Horizontal |
| API# | | | | | | | | | | | | | |
| Ope | rator Nai | me: | 1 | | | Propert | y Nan | ne: | | | | | Well Number |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

KZ 06/29/2018

Well Name: ZN 27 22 FED STATE COM



U.S. Department of the Interior **BUREAU OF LAND MANAGEMENT**

Drilling Plan Data Report

07/25/2024

APD ID: 10400097065

Submission Date: 02/15/2024

Highlighted data reflects the most recent changes

Operator Name: CHEVRON USA INCORPORATED

Well Number: 601H

Well Type: OIL WELL

Well Work Type: Drill

Show Final Text

Section 1 - Geologic Formations

| Formation | | | True Vertical | Measured | | Mineral Resources | Producing |
|-----------|------------------|-----------|---------------|----------|-------------------------|----------------------|-----------|
| ID | Formation Name | Elevation | Trao vortical | Depth | Lithologies | Willional Recognices | Formatio |
| 13828650 | RUSTLER | 3456 | 848 | 848 | SANDSTONE | NONE | N |
| 13828651 | SALADO | 2006 | 1450 | 1450 | ANHYDRITE, SALT | NONE | N |
| 13828652 | CASTILE | 613 | 2843 | 2895 | ANHYDRITE, SALT | NONE | N |
| 13828653 | LAMAR | -1627 | 5083 | 5143 | LIMESTONE, SANDSTONE | NONE | N |
| 13828654 | BELL CANYON | -1696 | 5152 | 5212 | LIMESTONE, SANDSTONE | NONE | N |
| 13828655 | CHERRY CANYON | -2511 | 5967 | 6027 | SANDSTONE, SILTSTONE | NONE | N |
| 13828656 | BRUSHY CANYON | -3968 | 7424 | 7484 | LIMESTONE, SANDSTONE | NONE | N |
| 13828657 | BONE SPRING LIME | -5149 | 8605 | 8665 | SHALE, SILTSTONE | NONE | N |
| 13828658 | AVALON SAND | -5259 | 8715 | 9186 | SHALE | NONE | N |
| 13828659 | BONE SPRING 1ST | -6320 | 9776 | 9919 | SANDSTONE, SHALE | NONE | N |
| 13828660 | BONE SPRING 2ND | -7229 | 10685 | 10979 | SANDSTONE | NONE | N |
| 13828661 | BONE SPRING 3RD | -7845 | 11301 | 11397 | SANDSTONE | NONE | N |
| 13828649 | WOLFCAMP | -8092 | 11548 | 11739 | SANDSTONE | NATURAL GAS, OIL | Y |

Section 2 - Blowout Prevention

BLOWOUT PREVENTER SCHEMATIC

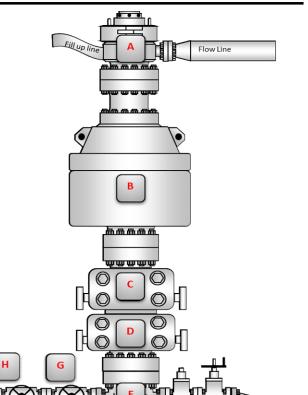
Operation: Intermediate & Production Drilling Operations

BOP Stack Pressure Part Size Description Rating 13-5/8" N/A Rotating Head/Bell nipple 13-5/8" 5,000 Annular В 13-5/8" 10,000 Blind Ram 13-5/8" 10,000 D Pipe Ram Ē 13-5/8" 10,000 **Mud Cross** F 13-5/8" 10,000 Pipe Ram

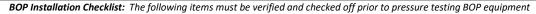
Minimum System operation pressure

| <u>Kill Line</u> | | | | | | |
|------------------|------|----------|------------------------------|--|--|--|
| Part | Size | Pressure | Description | | | |
| | | Rating | | | | |
| • | 2" | 10.000 | Inside Kill Line Valve (gate | | | |
| G | | 10,000 | valve) | | | |
| н | 2" | 10.000 | Outside Kill Line Valve | | | |
| п | 2 | 10,000 | (gate valve) | | | |
| I | 2" | 10,000 | Kill Line Check valve | | | |





| <u>Choke line</u> | | | | | | |
|-------------------|---------|--------------------|-------------------------|--|--|--|
| Part | Size | Pressure Rating | Description | | | |
| J | 3" | 10,000 | HCR (gate valve) | | | |
| К | 3" | 10,000 | Manual HCR (gate valve) | | | |
| Wellhead | | | | | | |
| Part | Size | Pressure Rating | Description | | | |
| L | 13-5/8" | 5,000 | FMC Multibowl wellhead | | | |



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 flow through.

Manual (hand wheels) or automatic locking devices will be installed on all ram preventers. Hand wheels will also be install on all manual valves on the choke 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 saved valve and subs to fit all drill string connections in use.

<u>District I</u> 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

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

Action 367907

CONDITIONS

| Operator: | OGRID: |
|---------------------|---|
| CHEVRON U S A INC | 4323 |
| 6301 Deauville Blvd | Action Number: |
| Midland, TX 79706 | 367907 |
| | Action Type: |
| | [C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|--|-------------------|
| pkautz | Will require a File As Drilled C-102 and a Directional Survey with the C-104 | |
| pkautz | 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 | 8/5/2024 |
| pkautz | 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 | 8/5/2024 |
| pkautz | Cement is required to circulate on both surface and intermediate1 strings of casing | 8/5/2024 |
| pkautz | If cement does not circulate on any string, a CBL is required for that string of casing | 8/5/2024 |