Chevron

**Paul T. Brown, PE**
Petroleum Engineer

**Chevron North America Exploration and Production Company**
MidContinent Business Unit
6301 Deauville Blvd.
Midland, Texas 79706

June 21, 2017

State of New Mexico
Oil Conservation Division
1220 S St Francis Dr
Santa Fe, New Mexico 87505
Attn Mr David R Catanach

Administrative Request for Extension of Injection Authority

Salado Draw SWD 13 No 1
Section 13, T26, R32E, Lea County, NM
API No 30-025-42354
Injection Order SWD-1488

Dear Mr Catanach,

Chevron USA Inc respectfully requests an administrative extension for injection authority for the subject well The subject well last recorded injection volumes in July 2016 and the injection authority will expire on August 1, 2017 It is requested that this extension be granted for one year

In November 2016 Chevron attempted to deepen the well from 18,675' to 19,300' to increase the injectivity, but was unsuccessful due to downhole mechanical problems. Chevron temporarily abandoned the well in January 2017 and designed the TA to facilitate a future re-entry attempt above the 5-1/2" liner top (wellbore diagram attached) The TA status on the well expires on 2/17/18

The justification for the administrative extension is that Chevron has made an agreement with Mesquite SWD Inc, a commercial SWD operator, that will allow them to take over operations, re-enter and deepen the well by the end of the year It will not be possible to commence injection before July 31, 2017 After the re-entry by Mesquite, the well will continue to be a disposal well in the Silurian formation and possibly the Fusselman formation

Since the application for injection authority was submitted in March 2014, 41 producing wells have been drilled within the 2 mile radius area of review None of these wells have penetrated the Silurian injection interval (table attached) There have been 8 wells drilled within the half mile radius area of review, but none of these wells have penetrated the Silurian injection interval (table attached) There has been no change in the affected persons for the 2 mile radius AOR or the ½ mile radius AOR since the injection authority was approved.

Thank you for your consideration in this matter If you need additional information I can be contacted by phone at 432-687-7351 or email at paulbrown@chevron.com

Sincerely,

Paul T Brown, PE

Petroleum Engineer

Attachments

Chevron USA Inc
Application for Administrative Extension of Injection Authority for SWD-1488

List of Wells located within 2 Mile radius AOR not listed on original application

| Company | Well Name | API No | Horizontal or Vertical | All or Partially within 2 mile radius |
|---|---|---|---|---|
| BTA | Mesa 8105 JV-P 2H | 3002541289 | Horizontal | Partial |
| BTA | Mesa 8105 JV-P 4H | 3002542842 | Horizontal | Partial |
| BTA | Mesa 8105 JV-P 6H | 3002542844 | Horizontal | All |
| BTA | Mesa 8105 JV-P 22H | 3002542857 | Horizontal | All |
| BTA | Mesa 8105 JV-P 9H | 3002543079 | Horizontal | All |
| BTA | Mesa 8105 JV-P 11H | 3002542847 | Horizontal | Partial |
| BTA | Mesa B 8115 JV-P 3H | 3002542126 | Horizontal | Partial |
| BTA | Mesa B 8115 JV-P Com 4H | 3002542127 | Horizontal | Partial |
| BTA | Mesa B 8115 JV-P Com 5H | 3002542128 | Horizontal | Partial |
| Mewbourne | Red Hills West 22 BO Fed Com 1H | 3002541135 | Horizontal | All |
| Mewbourne | Red Hills West Unit 2H | 3002539911 | Horizontal | Partial |
| Chevron | Kiehne Ranch 15 26 32 USA 1H | 3002540602 | Horizontal | Partial |
| Chevron | Porter Brown No 1H | 3002540802 | Horizontal | Partial |
| Chevron | Salado Draw 18 26 33 Fed 3H | 3002542278 | Horizontal | All |
| Chevron | Salado Draw 18 26 33 Fed 4H | 3002542279 | Horizontal | All |
| Chevron | Salado Draw 19 26 33 Fed 3H | 3002542280 | Horizontal | All |
| Chevron | Salado Draw 19 26 33 Fed 4H | 3002542281 | Horizontal | All |
| Chevron | Salado Draw 18 26 33 Fed 1H | 3002542659 | Horizontal | All |
| Chevron | Salado Draw 18 26 33 Fed 2H | 3002542660 | Horizontal | All |
| Chevron | Salado Draw 19 26 33 Fed 1H | 3002542661 | Horizontal | All |
| Chevron | Salado Draw 19 26 33 Fed 2H | 3002542662 | Horizontal | All |
| Chevron | SD EA 18 Fed P 6 5H | 3002542795 | Horizontal | All |
| Chevron | SD EA 18 Fed P 6 6H | 3002542796 | Horizontal | All |
| Chevron | SD EA 19 Fed P 6 5H | 3002542797 | Horizontal | All |
| Chevron | SD EA 19 Fed P 6 6H | 3002542798 | Horizontal | All |
| Chevron | SD EA 19 Fed P 6 7H | 3002542799 | Horizontal | Partial |
| Chevron | SD WE 14 Fed P 5 1H | 3002542800 | Horizontal | All |
| Chevron | SD WE 14 Fed P 5 2H | 3002542801 | Horizontal | All |
| Chevron | SD WE 23 Fed P 5 1H | 3002542802 | Horizontal | All |
| Chevron | SD WE 23 Fed P 5 2H | 3002542803 | Horizontal | All |
| Chevron | SD WE 14 Fed P 7 3H | 3002543086 | Horizontal | All |
| Chevron | SD WE 14 Fed P 7 4H | 3002543087 | Horizontal | All |
| Chevron | SD WE 23 Fed P 7 3H | 3002543088 | Horizontal | All |
| Chevron | SD WE 23 Fed P 7 4H | 3002543089 | Horizontal | All |
| Chevron | SD WE 23 Fed P25 1H | 3002543460 | Horizontal | All |
| Chevron | SD WE 23 Fed P25 2H | 3002543461 | Horizontal | All |
| Chevron | SD WE 23 Fed P25 3H | 3002543462 | Horizontal | All |
| Chevron | SD WE 23 Fed P25 4H | 3002543463 | Horizontal | All |
| COP | War Hammer 25 Fed Com W1 3H | 3002542027 | Horizontal | Partial |
| COP | War Hammer 25 Fed Com W2 2H | 3002542028 | Horizontal | Partial |
| COP | War Hammer 25 Fed Com W3 1H | 3002542029 | Horizontal | Partial |

Chevron USA Inc
Application for Administrative Extension of Injection Authority for SWD-1488

List of Wells located within 1/2 Mile radius AOR not listed on original application

| Company | Well Name | API No | Horizontal or Vertical | All or Partially within 1/2 mile radius |
|---|---|---|---|---|
| Chevron | SD WE 14 Fed P 7 3H | 3002543086 | Horizontal | Partial |
| Chevron | SD WE 14 Fed P 7 4H | 3002543087 | Horizontal | Partial |
| Chevron | SD WE 23 Fed P 7 3H | 3002543088 | Horizontal | Partial |
| Chevron | SD WE 23 Fed P 7 4H | 3002543089 | Horizontal | Partial |
| Chevron | SD WE 23 Fed P25 1H | 3002543460 | Horizontal | Partial |
| Chevron | SD WE 23 Fed P25 2H | 3002543461 | Horizontal | Partial |
| Chevron | SD WE 23 Fed P25 3H | 3002543462 | Horizontal | Partial |
| Chevron | SD WE 23 Fed P25 4H | 3002543463 | Horizontal | Partial |

**Current**
**WELLBORE DIAGRAM**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Created** | 8/19/2015 | **By** | PTB | | | | |
| **Updated** | 1/11/2017 | **By** | PTB | | | | |
| **Lease** | Salado Draw SWD 13 | **Well No** | 1 | **Field** | SWD Devonian, Silurian | | |
| **Surface Location** | 290' FSL & 10' FWL | **Unit Ltr** | M | **Sec** | 13 | **TSHP/Range** | 26S / 32E |
| **County** | Lea **St** NM | **St Lease** | | **API** | 30-025-42354 | **Cost Center** | |
| **Current Status** | TA'd | **Elevation** | 3171' | **CHEVNO** | PD6336 | | |

**Surface Csg**

| | |
|---|---|
| Size | 16" |
| Wt | 75#, J-55 |
| Set @ | 737' |
| Sxs cmt | 840 |
| Circ | yes, 106 bbl |
| TOC | surface |
| Hole Size | 20" |

**1st Intermediate Csg**

| | |
|---|---|
| Size | 13-3/8" |
| Wt | 68#, J-55 |
| Set @ | 4,555' |
| Sxs Cmt | 1100 |
| Circ | yes, 71 bbls |
| TOC | surface |
| Hole Size | 14-3/4" |

**2nd Intermediate Csg**

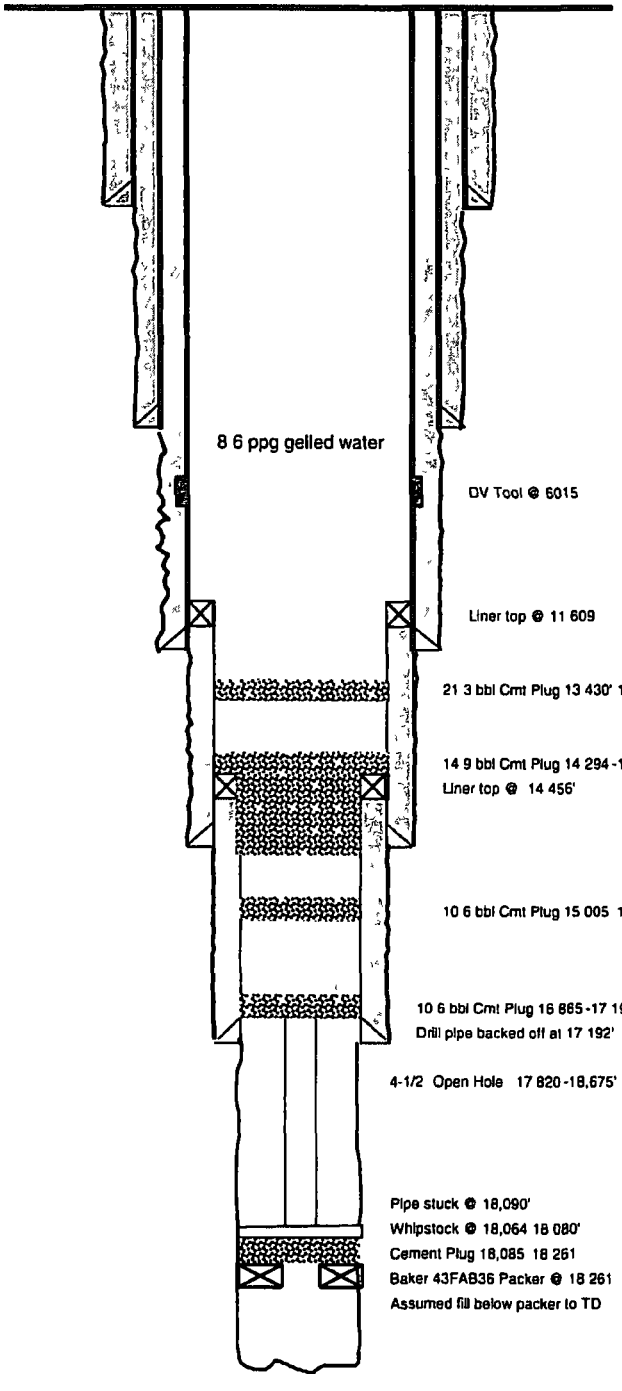
| | |
|---|---|
| Size | 9-5/8" |
| Wt | 53 5#, P-110 |
| Set @ | 12,188' |
| Sxs Cmt | 1,920 |
| TOC | |
| Hole Size | 12-1/4" |

**Production Liner No 1**

| | |
|---|---|
| Size | 7-5/8" |
| Wt | 39#, P-110 |
| TOL | 11,609' |
| BOL | 14,678' |
| Sxs Cmt | 300 |
| Hole Size | 8-1/2" |

**Production Liner No 2**

| | |
|---|---|
| Size | 5-1/2" |
| Wt | 23#, P-110 |
| TOL | 14,456' |
| BOL | 17,820' |
| Sxs Cmt | 286 |
| Hole Size | 6-1/2" |




| | |
|---|---|
| KB | |
| DF | |
| GL | 3171' |
| Spud Date | 2/20/2015 |
| Compl Date | 8/23/2015 |

## Goetze, Phillip, EMNRD

**From:** Goetze, Phillip, EMNRD
**Sent:** Monday, February 1, 2016 10 15 AM
**To:** Taha, Zaid Patrick
**Cc:** Jones, William V, EMNRD, McMillan, Michael, EMNRD, Lowe, Leonard, EMNRD, Kautz, Paul, EMNRD
**Subject:** RE Question on deepening an existing SWD well

Patrick

Yes, the Fusselman and/or Silurian equivalent has been approved for disposal and is usually included in the approved interval with the Devonian section At this time, OCD continues to look favorably on the Silurian as along as the Ordovician is not included in the proposed disposal interval. Your e-mail got lost the January rotation Call/e-mail with any questions PRG

Phillip R. Goetze, PG
Engineering and Geological Services Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505
Direct: 505.476.3466
e-mail: phillip.goetze@state.nm.us

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**From:** Taha, Zaid Patrick [mailto PatrickTaha@chevron com]
**Sent:** Monday, January 04, 2016 5 19 PM
**To:** Goetze, Phillip, EMNRD <Phillip Goetze@state nm us>
**Subject:** RE Question on deepening an existing SWD well

Thanks Phillip A better way to put it is the Silurian can be divided into early and late stages The early (deeper) stage is referred to as the Fusselman, typically a dolomite

The late stage is a generic 'Silurian Limestone' which can trend from Fasken near shore, to Frame and Wink further offshore Full discloser this 'Silurian Limestone' can also be dolomitic in places around the basin

As for my original question, if we want to continue drilling deeper into the Silurian (in this case to pass from the upper Silurian limestone down into the underlying Silurian-aged Fusselman dolomite section) do we need to reapply for a permit? We would stop short of drilling into the underlying Ordovician formations (Montoya, Simpson, and Ellenburger)

Hope that helps to clarify my thoughts

Thanks,

Patrick

**From:** Goetze, Phillip, EMNRD [mailto:Phillip.Goetze@state.nm.us]
**Sent:** Monday, January 04, 2016 5:28 PM
**To:** Taha, Zaid Patrick
**Subject:** [**EXTERNAL**] RE: Question on deepening an existing SWD well

FYI: Haven't forgotten about your question(s) I need to review some correlation info since Fasken is not recognized (commonly used) in NM lexicon PRG

Phillip R. Goetze, PG
Engineering and Geological Services Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505
Direct: 505.476.3466
e-mail: phillip.goetze@state.nm.us

**From:** Taha, Zaid Patrick [mailto PatrickTaha@chevron com]
**Sent:** Monday, December 14, 2015 6 55 AM
**To:** Goetze, Phillip, EMNRD <Phillip Goetze@state.nm us>
**Subject:** Question on deepening an existing SWD well

Good morning Phillip

We completed a deep SWD well injecting into the Silurian-aged Fasken Fm in southern Lea County in August (named the Salado Draw SWD 13-1 well)

In short, it doesn't perform very well

Most other operators of deep SWD wells drill a portion or all of the underlying Silurian-aged Fusselman Fm A well that we are NOJV partner on (named the Rattlesnake 16 SWD 1 well) was recently drilled and completed into the Fusselman Fm and a step rate test indicated it could inject considerably more water volume than our current Salado Draw SWD 13-1 well

Based on well log and seismic correlation from the Rattlesnake SWD well, which is about 9 miles away and along depositional strike of our Salado Draw SWD well, we have reason to believe a set of fractures exists in our underlying Fusselman Fm that does not exist in our overlying Fasken Fm that we currently inject into

My question is
-What is required to deepen an existing SWD well so as to inject into a deeper formation?
In our case, both formations are Silurian-aged
-Does this require simply running a notice for public discloser in a local newspaper that we intend to deepen and then sending an affidavit to the NMOCD after the 15 day waiting period if no one protests?
-Do we need to sundry our existing permit?
-Or is no action required since we are already approved to dispose into the Silurian-aged strata and we are only making a change from injecting into the overlying Fasken limestone versus the underlying Fusselman dolomite?

I'll call later on today but wanted to give you a heads up on our request

Thanks,

**Z. Patrick Taha, PhD**
Geologist
Asset Development Permian Oil

**Chevron North America Exploration and Production**
Mid-Continent Business Unit
1400 Smith, 43046
Houston, TX 77002
Tel 713 372 1543

**Current**
**WELLBORE DIAGRAM**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Created | 8/19/2015 | By PTB | | | | | |
| Updated | 1/11/2017 | By PTB | | | | | |
| Lease | Salado Draw SWD 13 | | Well No | 1 | Field | SWD Devonian Silurian | |
| Surface Location | 290' FSL & 10' FWL | | Unit Ltr | M | Sec | 13 TSHP/Range | 26S / 32E |
| County | Lea | St NM | St Lease | | API | 30-025-42354 Cost Center | |
| Current Status | TA'd | | Elevation. | 3171' | CHEVNO | PD6336 | |

**Surface Csg**

| | |
|---|---|
| Size | 16" |
| Wt. | 75#, J 55 |
| Set @ | 737' |
| Sxs cmt | 840 |
| Circ | yes, 106 bbl |
| TOC | surface |
| Hole Size | 20" |

**1st Intermediate Csg**

| | |
|---|---|
| Size | 13-3/8" |
| Wt. | 68#, J-55 |
| Set @ | 4 555' |
| Sxs Cmt | 1100 |
| Circ | yes 71 bbls |
| TOC | surface |
| Hole Size | 14-3/4" |

**2nd Intermediate Csg**

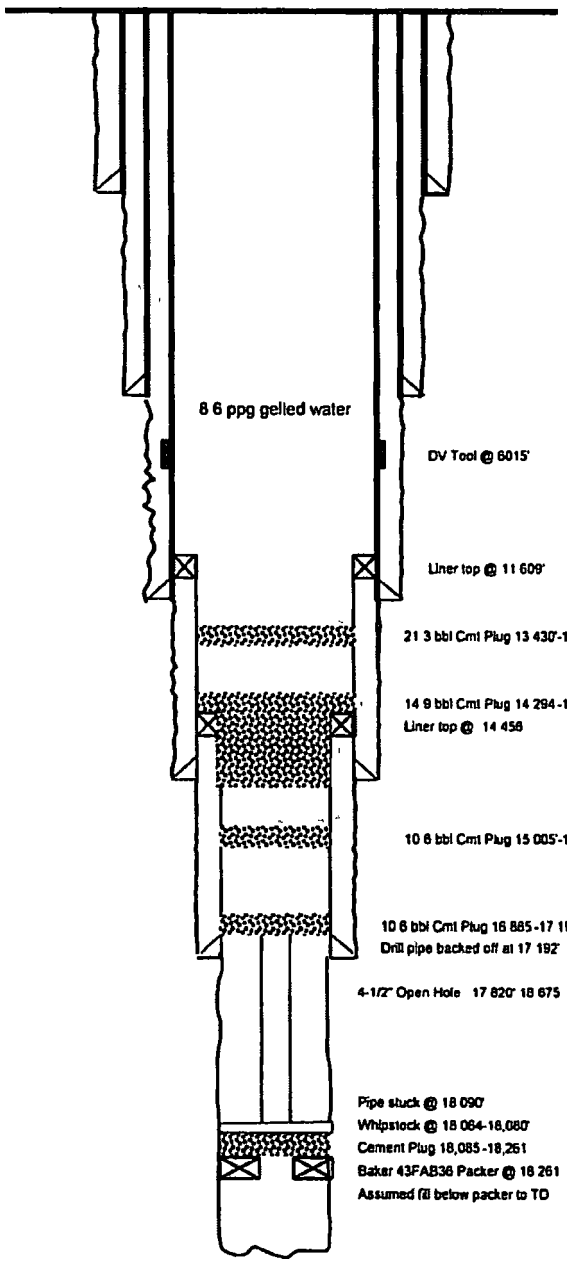
| | |
|---|---|
| Size | 9-5/8" |
| Wt | 53 5#, P-110 |
| Set @ | 12,188 |
| Sxs Cmt | 1,920 |
| TOC | |
| Hole Size | 12-1/4" |

**Production Liner No 1**

| | |
|---|---|
| Size | 7-5/8" |
| Wt | 39#, P-110 |
| TOL | 11,609' |
| BOL | 14,678' |
| Sxs Cmt | 300 |
| Hole Size | 8-1/2" |

**Production Liner No 2**

| | |
|---|---|
| Size | 5-1/2" |
| Wt | 23#, P-110 |
| TOL | 14,456' |
| BOL | 17,820 |
| Sxs Cmt | 286 |
| Hole Size | 6-1/2" |




| | |
|---|---|
| KB | |
| DF | |
| GL | 3171' |
| Spud Date | 2/20/2015 |
| Compl Date | 8/23/2015 |

OCD-HOBBS

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**

***Do not use this form for proposals to drill or to re-enter an abandoned well Use form 3160-3 (APD) for such proposals***

***SUBMIT IN TRIPLICATE - Other instructions on reverse side***

5 Lease Serial No
NMNM118722

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

1 Type of Well
☐ Oil Well ☐ Gas Well ☒ Other INJECTION

8 Well Name and No
SALADO DRAW SWD 13 1

2 Name of Operator
CHEVRON USA INC

Contact CINDY H MURILLO
E-Mail CHERRERAMURILLO@CHEVRON COM

9 API Well No
30-025-42354

3a Address
1616 W BENDER BLVD
HOBBS, NM 88240

3b Phone No (include area code)
Ph 575-263-0431
Fx 575-263-0445

10 Field and Pool, or Exploratory
SWD DEVONIAN, SILURIAN

4 Location of Well *(Footage, Sec , T , R , M or Survey Description)*
Sec 13 T26S R32E Mer NMP SWSW 290FSL 10FWL

11 County or Parish, and State
LEA COUNTY, NM

12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| ☐ Notice of Intent | ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☒ Subsequent Report | ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Final Abandonment Notice | ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☒ Other |
| | ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| | ☐ Convert to Injection | ☐ Plug Back | ☐ Water Disposal | |

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports shall be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed Final Abandonment Notices shall be filed only after all requirements including reclamation have been completed, and the operator has determined that the site is ready for final inspection )

This subsequent report is filed in response to the Notice of Written Order by Authorized Officer dated 04/13/2016 Explanation of cement for the 9 5/8" and 7 5/8" casing and the 5 1/2 production liner (See Attached Report)

No Hydrocarbons Document

Chevron hereby determines that there are no producible hydrocarbons in paying quantities based on mud log evaluation(fluorescence/cut fluorescence, oil staining, gas shows, or gas flares) across the 800' of upper Silurian Limestone section

The Salado Draw SWD 13-1 well encountered the Top of Silurian Limestone at 17,875', as seen on the mud log A 5 1/2" liner was set in the overlying Woodford Shale at 17,820' and the remaining 55' of

**HOBBS OCD**

MAY 19 2016

**RECEIVED**

14 I hereby certify that the foregoing is true and correct
**Electronic Submission #339119 verified by the BLM Well Information System**
**For CHEVRON USA INC, sent to the Hobbs**
**Committed to AFMSS for processing by PAUL SWARTZ on 05/13/2016 ()**

Name *(Printed/Typed)* CINDY H MURILLO — Title PERMITTING SPECIALIST

Signature (Electronic Submission) — Date 05/12/2016

ACCEPTED FOR RECORD

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____ Title _____ Date MAY 13 2016

Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon — Office

PR Swartz

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Kz

## Additional data for EC transaction #339119 that would not fit on the form

**32 Additional remarks, continued**

Woodford Shale and 800' of Silurian Limestone was drilled with a 4 1/2" drill bit As seen in the mud log across to 55" of open-hole Woodford Shale section, the gas reading averaged about 82 total units of gas (C1 to C4 combined)

Once the Silurian Limestone was encountered, the gas readings dropped to zero gas units across the entire Silurian Limestone interval The only exceptions were small readings of mud gas at pipe connections (connection gas or GC) and during down time (Down time Gas or DTG), when the mud pumps were turned off and gas from the formation built up in the mud column These small gas shows are interpreted as coming from the overlying 55' of Woodford Shale open-hole section as that was the only place where any gas occurred during active drilling Since no mud gas is present, no gas flares would be expected either A scale bar (from 0' to 200')for recording the presence of gas flares was placed on the mud log by 'Selman and Associates LTD' This scale bar can be seen on the right hand side of the mud log, the blue colored gas flare never exceeds zero feet
At 18000ft as logged.

Salado Draw SWD Cement Report attached

06/13/2016
Accepted for record as partial compliance of the Written Order dated 04/13/2016 and attached to the subsequent sundry ES#335064. An annular monitoring system is still to be constructed and accepted by BLM. Also a subsequent report of the MIT accomplished this week and witnessed by the NMOCD is to be filed.

UCD-HOBBS

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**

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***SUBMIT IN TRIPLICATE - Other instructions on reverse side***

5 Lease Serial No
NMNM118722

6 If Indian Allottee or Tribe Name

7 If Unit or CA/Agreement Name and/or No

1 Type of Well
☐ Oil Well ☐ Gas Well ☒ Other INJECTION ✓ SWD

8 Well Name and No
SALADO DRAW SWD 13 1 ✓

2 Name of Operator
CHEVRON USA INC ✓
Contact CINDY H MURILLO
E-Mail CHERRERAMURILLO@CHEVRON COM

9 API Well No
30-025-42354 ✓

3a Address
1616 W BENDER BLVD
HOBBS, NM 88240

3b Phone No (include area code)
Ph 575-263-0431
Fx 575-263-0445

HOBBS OCD

10 Field and Pool, or Exploratory
SWD DEVONIAN SILURIAN

4 Location of Well (Footage Sec T R M or Survey Description)
Sec 13 T26S R32E Mer NMP SWSW 290FSL 10FWL ✓

MAY 05 2016

RECEIVED

11 County or Parish, and State
LEA COUNTY, NM

12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| ☐ Notice of Intent | ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☒ Subsequent Report | ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Final Abandonment Notice | ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☒ Other Drilling Operations |
| | ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| | ☐ Convert to Injection | ☐ Plug Back | ☐ Water Disposal | |

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports shall be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection )

SWD

CHEVRON USA INC HAS COMPLETED THE ABOVE ~~INJECTION WELL~~ AS FOLLOWS
08/09/15 CONTINUED TO TIH FROM 5879' -17,663' CIRCULATE BOTTOMS UP @ 17,660' PERFORM INJECTION RATE TEST,INITIAL PRESSURE OF 2050 PSI,BLED TO 1235 IN 10 MIN
08/10/15 TIF FROM 17,663' - 18,673 PUMPED 17 BBLS OF 15% HCL ACID, AT 17,873' PUMPED 40 BBLS OF 15% ACID DOWN WORK STRING
08/11/15 THI TO BIT DEPTH 17,842', MIX 250 BBLS OF 15% ACID WHILE MONTORING PRESSURE,PUMP 223 BBLS 15% HCL DOWN DRILL PIPE
08/12/15 TIH FROM 17,780' - 18,302'
08/13/15 TIF FROM 18,306' - 18,675' PUMP 247 BBLS OF 20% HACL ACID TAKING RETURNS TO MUD TANKS
08/14/15 TOH FROM 17,612'- 14,385' PERFORM STEP RATE TEST BY INJECTING/BULL HEADING 8 4 PPG FRESH WATER INTO 4 1/2 OPEN HOLE SECTION INJECT A TOTAL OF 1950 BBLS @ 5PBM FINAL ANNULUS PRESSURE TO 2813 PSI

see attached Order of Authorized Officer

14 I hereby certify that the foregoing is true and correct.
**Electronic Submission #335064 verified by the BLM Well Information System**
**For CHEVRON USA INC, sent to the Hobbs**
**Committed to AFMSS for processing by PRISCILLA PEREZ on 04/04/2016 ()**

Name (Printed/Typed) CINDY H MURILLO — Title PERMITTING SPECIALIST

Signature (Electronic Submission) — Date 03/30/2016

ACCEPTED FOR RECORD

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____ Title _____ Date APR 15 2015

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon — Office

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

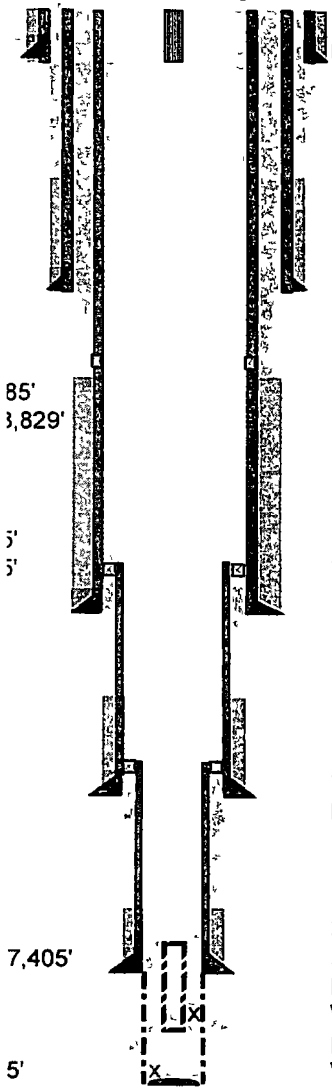
Title 18 U S C. Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

KZ

MAY 06 2016

# Salado Draw SWD 13-1
# Sec. 13 T26S R32E Lea County, New Mexico



16", 75 ppf, J-55, BTC @ +/- 747'
ID = 15 124" Drift = 14 936"
**5'-4.5" Tenaris Blue Pup below hanger**

**16-3/4" 5M X 13-5/8" 10M X 11" 10M Conventional/SH2-R GE Wellhead Assembly**
4 5" Tbg Hanger Blue conn

13-3/8", 68 ppf, J-55, Wedge 513 (Flush) @ +/- 4547'
ID = 12 415" Drift = 12 259"
FIT to 12 PPGe

DV Tool @ ~ 6015'

85'
3,829'

5'
5'

7-5/8" TOL @ +/- 11610'
9-5/8", 53 5 ppf, P-110IC, BTC (Special Drift = 8 5") @ +/- 12188'
ID = 8 535" Drift = 8 500", FIT to 14 5 PPGe and 16 5 PPGe

5-1/2" TOL @ +/- 14,433'
7-5/8", 39 ppf, P-110, Wedge 513 (Flush) @ +/- 14680'
ID = 6 625" Drift = 6 500" (TOL @ +/- 11,610')
FIT to 17 5 PPGe

**2-7/8" HT26 DP 1.5" ID @17,193'**
7,405'
5-1/2", 23 ppf, HCP-110, Wedge 513 (Flush) @ +/- 17820'
ID = 4 670" Drift = 4 545" (TOL @ +/- 14,433')
**Whipstock @18,064' top**
**BHA @18,092'**
5'
Whipstock top @18,240'

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

FORM APPROVED
OMB No 1004-0137
Expires July 31 2010

# WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5 Lease Serial No
NMNM118722

1a Type of Well ☐ Oil Well ☐ Gas Well ☐ Dry ☒ Other INJ
b Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff Resvr
Other

6 If Indian Allottee or Tribe Name

7 Unit or CA Agreement Name and No

HOBBS OCD
FEB 29 2016
RECEIVED

2 Name of Operator
CHEVRON USA INCORPORATED
Contact CINDY H MORILLO
E-Mail CHERRERAMURILLO@CHEVRON COM

8 Lease Name and Well No
SALADO DRAW SWD 13 1

3 Address 15 SMITH ROAD
MIDLAND, TX 79705

3a Phone No (include area code)
Ph 575-263-6431

9 API Well No
30-025-42354-00-S1

4 Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface SWSW 290FSL 10FWL 32 036301 N Lat, 103 636505 W Lon

10 Field and Pool, or Exploratory
DEVONIAN SWD

At top prod interval reported below SWSW 290FSL 10FWL

11 Sec T, R, M or Block and Survey or Area Sec 13 T26S R32E Mer NMP

At total depth SWSW 290FSL 10FWL

12 County or Parish
LEA

13 State
NM

| 14 Date Spudded | 15 Date T D Reached | 16 Date Completed | 17 Elevations (DF KB RT GL)* |
|---|---|---|---|
| 02/26/2015 | 08/08/2015 | ☐ D & A ☒ Ready to Prod 09/02/2015 | 3171 GL |

| 18 Total Depth | 19 Plug Back T D | 20 Depth Bridge Plug Set |
|---|---|---|
| MD 18675 TVD | MD 17757 TVD | MD TVD |

21 Type Electric & Other Mechanical Logs Run (Submit copy of each)
HYDROCARBONWELL

22 Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit analysis)

23 Casing and Liner Record *(Report all strings set in well)*

| Hole Size | Size/Grade | Wt (#/ft) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No of Sks & Type of Cement | Slurry Vol (BBL) | Cement Top* | Amount Pulled |
|---|---|---|---|---|---|---|---|---|---|
| 14 750 | 16 000 J-55 | 75 0 | | 737 | | 840 | | | ? |
| 12 250 | 13 375 J-55 | 68 0 | | 4547 | | 1100 | | | ? |
| 8 500 | 9 625 P-110 | 53 5 | | 12188 | | 1270 | | | |
| 6 500 | 7 625 P-110 | 39 0 | | 14678 | | 650 | | | |
| 4 500 | 5 500 P-110 | 23 0 | | 17820 | | 330 | | | |

24 Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|---|---|---|---|---|---|---|---|---|
| 2 375 | 17720 | 17760 | | | | | | |

25 Producing Intervals / 26 Perforation Record

| | Formation | Top | Bottom | Perforated Interval | Size | No Holes | Perf Status |
|---|---|---|---|---|---|---|---|
| A) | SILURIAN | | | | | | |
| B) | DEVONIAN | 17875 | 18675 | | | | |
| C) | | | | | | | |
| D) | | | | | | | |

27 Acid, Fracture, Treatment, Cement Squeeze, Etc

| Depth Interval | Amount and Type of Material |
|---|---|
| 17410 TO 18200 | 15000 GALLONS 15 % HCL ACID |

28 Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBl | Gas MCF | Water BBl | Oil Gravity Corr API | Gas Gravity | Producing Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | | |

| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate | Oil BBl | Gas MCF | Water BBl | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | |

28a Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBl | Gas MCF | Water BBl | Oil Gravity Corr API | Gas Gravity | Producing Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | | |

| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate | Oil BBl | Gas MCF | Water BBl | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | |

ACCEPTED FOR RECORD
FEB 1 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

*(See Instructions and spaces for additional data on reverse side)*

**ELECTRONIC SUBMISSION #315351 VERIFIED BY THE BLM WELL INFORMATION SYSTEM**

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Reclamation due: 03/02/2015

MAR 04 2016

28b Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | | |

| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | |

28c Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | | |

| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | |

29 Disposition of Gas(*Sold, used for fuel, vented, etc.*)
UNKNOWN

30 Summary of Porous Zones (Include Aquifers)

Show all important zones of porosity and contents thereof Cored intervals and all drill stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31 Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc | Name | Top Meas. Depth |
|---|---|---|---|---|---|
| RUSTLER | 28 | 700 | DOLOMITE | RUSTLER | 28 |
| DELAWARE | 699 | 4710 | LIMESTONE | DELAWARE | 699 |
| BELL CANYON | 4679 | 4745 | LM/SS | BELL CANYON | 4679 |
| CHERRY CANYON | 4744 | 5735 | LM/SS | CHERRY CANYON | 4744 |
| BRUSHY CANYON | 5734 | 7285 | LIMESTONE | BRUSHY CANYON | 5734 |
| BONE SPRING | 7284 | 8829 | LIMESTONE | BONE SPRING | 7284 |
| AVALON | 8828 | 8871 | SHALE | AVALON | 8828 |
| BONE SPRING 1ST | 9444 | 9727 | SS | | |
| BONE SPRING 2ND | 9726 | 10385 | SS | | |
| BONE SPRING 3RD | 10384 | 11375 | SS | | |
| WOLFCAMP | 11374 | 11926 | SHALE | | |
| STRAWN | 11925 | 14882 | SHALE | | |
| ATOKA | 14481 | 14650 | LIMESTONE | | |
| MORROW | 14649 | 15440 | LIMESTONE/ SHALE | | |
| BARNETT SHALE | 15439 | 15840 | SHALE | | |
| MISSISSIPPIAN | 15839 | 17405 | LIMESTONE | | |
| WOODFORD | 17404 | 17730 | SHALE | | |
| SILURIAN | 17729 | 17875 | LIMESTONE | | |

32 Additional remarks (include plugging procedure)

| FORMATION | TOP | BOTTOM | DESCRIPTION,CONTENTS, ETC |
|---|---|---|---|
| TOP BONE SPRING 1 | 9444 | 9727 | SS |
| TOP BONE SPRING 2 | 9726 | 10385 | SS |
| TOP BONE SPRING 3 | 10384 | 11375 | SS |
| WOLFCAMP | 11374 | 11926 | SHALE |
| STRAWN | 11925 | 14482 | SHALE |
| ATOKA | 14481 | 14650 | LM |
| MORROW | 14649 | 15440 | LM/SHALE |

33 Circle enclosed attachments

1 Electrical/Mechanical Logs (1 full set req'd.) 2 Geologic Report 3 DST Report 4 Directional Survey
5 Sundry Notice for plugging and cement verification 6 Core Analysis 7 Other

34 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)

**Electronic Submission #315351 Verified by the BLM Well Information System.**
**For CHEVRON USA INCORPORATED, sent to the Hobbs**
**Committed to AFMSS for processing by LINDA JIMENEZ on 09/03/2015 (15LJ1905SE)**

Name (*please print*) CINDY H MURILLO Title PERMITTING SPECIALIST

Signature (Electronic Submission) Date 09/02/2015

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No 1004-0137
Expires July 31 2010

# WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5 Lease Serial No
NMNM118722

1a Type of Well ☐ Oil Well ☐ Gas Well ☐ Dry ☒ Other INJ
b Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff Resvr
Other Amended

6 If Indian, Allottee or Tribe Name

7 Unit or CA Agreement Name and No

2 Name of Operator
CHEVRON USA INC ✓
Contact CINDY H MURILLO
E-Mail CHERRERAMURILLO@CHEVRON COM

8 Lease Name and Well No
SALADO DRAW SWD 13 1 ✓

3 Address 1616 W BENDER BLVD
HOBBS, NM 88240

3a Phone No (include area code)
Ph 575-263-0431

9 API Well No
30-025-42354 ✓

HOBBS OCD

4 Location of Well (Report location clearly and in accordance with Federal requirements)

FEB 29 2016

At surface SWSW 290FSL 10FWL ✓

RECEIVED

10 Field and Pool, or Exploratory
SWD,DEVONIAN SILURIAN

At top prod interval reported below SWSW 290FSL 10FWL

11 Sec , T , R , M , or Block and Survey or Area Sec 13 T26S R32E Mer NMP ✓

At total depth SWSW 290FSL 10FWL

12 County or Parish
LEA

13 State
NM

| 14 Date Spudded | 15 Date T D Reached | 16 Date Completed | 17 Elevations (DF, KB, RT, GL)* |
|---|---|---|---|
| 02/26/2015 | 08/08/2015 | ☐ D & A ☒ Ready to Prod 09/02/2015 | 3071 GL |

| 18 Total Depth | 19 Plug Back T D | 20 Depth Bridge Plug Set |
|---|---|---|
| MD TVD 18675 | MD TVD 17757 | MD TVD |

21 Type Electric & Other Mechanical Logs Run (Submit copy of each)
HYDROCARBONE WELL LOG

22 Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit analysis)

23 Casing and Liner Record *(Report all strings set in well)*

| Hole Size | Size/Grade | Wt (#/ft ) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No of Sks & Type of Cement | Slurry Vol (BBL) | Cement Top* | Amount Pulled |
|---|---|---|---|---|---|---|---|---|---|
| 20 000 | 16 000 J-55 | 75 0 | | 747 | | 840 | | 0 | |
| 14 750 | 13 375 J-55 | 68 0 | | 4547 | | 1100 | | 0 | |
| 12 250 | 9 625 P-110 | 53 5 | | 12198 | 6024 | 1270 | | 0 | |
| 8 500 | 7.625 P-110 | 39 0 | | 14678 | | 300 | | 11609 | |
| 6 500 | 5 500 P-110 | 23 0 | | 17825 | | 286 | | 14800 | |
| 4 500 | | | | 18675 | | | | | |

24 Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|---|---|---|---|---|---|---|---|---|
| 2 375 | 17720 | 17760 | | | | | | |

25 Producing Intervals / 26 Perforation Record

| Formation | Top | Bottom | Perforated Interval | Size | No Holes | Perf Status |
|---|---|---|---|---|---|---|
| A) SWD DEVONIAN SULIRIAN | 17729 | 18675 | 17729 TO 18675 | | | OPEN HOLE- NO PERFS |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

27 Acid, Fracture, Treatment, Cement Squeeze, Etc

| Depth Interval | Amount and Type of Material |
|---|---|
| 17729 TO 18675 | 1500 GALLONS 15% HCL ACID |

28 Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | | |

| Choke Size | Tbg. Press. Flwg SI | Csg. Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | |

28a Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | | |

| Choke Size | Tbg Press. Flwg. SI | Csg. Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | → | | | | | |

ACCEPTED FOR RECORD
SWD-1488
FEB 24 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

*(See Instructions and spaces for additional data on reverse side)*
ELECTRONIC SUBMISSION #332098 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Reclamation Due: 3/2/16

MAR 14 2016

28b Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

| Choke Size | Tbg. Press. Flwg. SI | Csg. Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |

28c Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

| Choke Size | Tbg Press. Flwg SI | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |

29 Disposition of Gas(*Sold, used for fuel vented etc*)
UNKNOWN

30 Summary of Porous Zones (Include Aquifers)

Show all important zones of porosity and contents thereof Cored intervals and all drill-stem tests; including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31 Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc | Name | Top Meas Depth |
|---|---|---|---|---|---|
| RUSTER | 28 | 700 | DOLOMITE | RUSTLER | 28 |
| DELAWARE | 700 | 4710 | LIMESTONE | DELAWARE | 700 |
| BONE SPRING | 7285 | 11375 | LIMESTONE/SHALE | BONE SPRING | 7285 |
| WOLFCAMP | 11375 | 11926 | SHALE | WOLFCAMP | 11375 |
| STRAWN | 11926 | 14482 | SHALE | STRAWN | 11926 |
| ATOKA | 14482 | 14650 | LIMESTONE | ATOKA | 14482 |
| MORROW | 14650 | 15440 | LIMESTONE/SHALE | MORROW | 14650 |
| BARNETT SHALE | 15440 | 15840 | SHALE | BARNETT SHALE | 15440 |

32 Additional remarks (include plugging procedure)

| FORMATION | TOP | BOTTOM | DESCRIPTION | NAME | TOP |
|---|---|---|---|---|---|
| MISSISSIPPIAN | 15840 | 17405 | LIMESTONE | MISSISSIPIAN | 15840 |
| WOODFORD | 17405 | 17730 | SHALE | WOODFORD | 17405 |
| TOP SILURIAN | 17730 | 17875 | LIMESTONE | SILURIAN | 17730 |

****THIS SUNDRY REPLACES EC #329134 SUMBITTED 01/20/2016 CORRECTED**
****SWD-1488*****

33 Circle enclosed attachments

1 Electrical/Mechanical Logs (1 full set req'd) 2 Geologic Report 3 DST Report 4 Directional Survey
5 Sundry Notice for plugging and cement verification 6 Core Analysis 7 Other

34 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)

**Electronic Submission #332098 Verified by the BLM Well Information System**
**For CHEVRON USA INC, sent to the Hobbs**
**Committed to AFMSS for processing by DEBORAH HAM on 02/24/2016 ()**

Name *(please print)* CINDY H MURILLO Title PERMITTTING SPECIALIST

Signature (Electronic Submission) Date 02/24/2016

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****