NM OIL CONSERVATION
ARTESIA DISTRICT
OCT 0 4 2019
RECEIVED

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

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised August 1, 2011

Submit one copy to appropriate District Office

[X] AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

[1] Operator name and Address	[2] OGRID Number
CHEVRON U.S.A. INC. 6301 DEAUVILLE BLVD. MIDLAND, TX 79706	4323
	[3] Reason for Filing Code/ Effective Date RT / 7/22/2019

[4] API Number	[5] Pool Name	[6] Pool Code
30 – 015–44877	PURPLE SAGE; WOLFCAMP (GAS)	98220

[7] Property Code	[8] Property Name	[9] Well Number
321188	CB SO 15 22 004	2H

II. [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
D	15	23S	28E		336	NORTH	804	WEST	EDDY

[11] Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	23S	28E		162	SOUTH	1239	WEST	EDDY

[12] Lse Code	[13] Producing Method Code	[14] Gas Connection Date	[15] C-129 Permit Number	[16] C-129 Effective Date	[17] C-129 Expiration Date
P	F				

III. Oil and Gas Transporters

[18] Transporter OGRID	[19] Transporter Name and Address	[20] O/G/W
* ? [redacted]	ATLAS PIPELINE PARTNERS LP	G
? [redacted]	TARGA	G
? [redacted]	ANDEAVOR	O
? [redacted]	MARATHON	O

IV. Well Completion Data

[21] Spud Date	[22] Ready Date	[23] TD	[24] PBTD	[25] Perforations	[26] DHC, MC
7/17/2018	2/9/2019	19,690'	19,625'	9638'-19,378'	

[27] Hole Size	[28] Casing & Tubing Size	[29] Depth Set	[30] Sacks Cement
17-1/2"	13-3/8", 54.5# J-55 STC	478'	481 sx class C
12-1/4"	9-5/8", 43.5# HCL-20 LTC	8,800'	1,617 sx class C
8-1/2"	5-1/2", 20# P110 TXP-BTC	19,670'	2,776 sx class C
	2-7/8" Tubing string	9,190'	Packer @ 9,167'

V. Well Test Data

[31] Date New Oil	[32] Gas Delivery Date	[33] Test Date	[34] Test Length	[35] Tbg. Pressure	[36] Csg. Pressure
7/22/2019	7/22/2019	8/2/2019	24 Hrs	1,350	0
[37] Choke Size	**[38] Oil**	**[39] Water**	**[40] Gas**		**[41] Test Method**
64	1,382	3,449	2,705		PVT

[42] I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: [signature]

Printed name: LAURA BECERRA

Title: PERMITTING SPECIALIST

E-mail Address: LBECERRA@CHEVRON.COM

Date: 9/14/2019

Phone: (432) 687-7665

OIL CONSERVATION DIVISION

Approved by: Missing information to C-104. C-102; Survey and no authorized Transporters listed for this well in OCD Permitting... Please advise.

Title:

Approval Date:

n "Denied" 10/8/19

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Submit Original to Appropriate District Office

GAS CAPTURE PLAN

☐ Original Operator & OGRID No.: CHEVRON U S A INC 4323
☒ Amended Date: 09/14/2019
Reason for Amendment: New wells completed

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

Wells / Production Facility – CULEBRA BLUFF CTB (SECTION 15)

The wells that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
CB SO 15 22 004 1H (WCA)	30-015-44876	UL: D, SEC 15, T23S, R28E	336' FNL, 779' FWL	2,500	0	
CB SO 15 22 004 2H (WCA)	30-015-44877	UL: D, SEC 15, T23S, R28E	336' FNL, 804' FWL	2,500	0	
CB SO 15 22 004 3H (WCA)	30-015-44878	UL: D, SEC 15, T23S, R28E	335' FNL, 829' FWL	3,500	0	

Gathering System and Pipeline Notification

These Culebra Bluff South Pad 4 wells will be connected to Chevron's Culebra Bluff CTB West (Section 15) production facility located in Sec. 15, T23S, R28E, Eddy County, New Mexico during flowback and production. Gas produced from the production facility will be dedicated to Targa Delaware LLC ("Targa") and connected to Targa's high pressure gathering system located in Eddy County, New Mexico. Produced gas will be processed initially at Targa's Wildcat Processing Plant located in Block 27, Sec 39 of Winkler County, Texas and other plants operated by Targa which are connected to the high pressure gathering system until approximately late-September 2019 when it will be routed to Targa's new Falcon Plant located in northeast Culberson County, Texas. The actual flow of the gas will be based on compression operating parameters and gathering system pressures. Chevron will periodically provide Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Chevron and Targa will have periodic conference calls to discuss changes to the drilling and completion schedules.

Flowback Strategy

After the fracture treatment/completion operations, wells will be routed to the permanent production facilities. Wells will have temporary sand catchers (separators) that will be installed at the well location to prevent sand from getting into the flowlines. These sand separators will be blown down periodically which will result in minimal venting of gas. Gas sales will start as soon as the wells start flowing through the production facilities unless there are operational issues with Targa's system at that time. Based on current information, it is Chevron's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On Lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared.
- Compressed Natural Gas – On Lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines.

- NGL Removal – On lease and trucked from condensate tanks
  - Plants are expensive and uneconomical to operate when gas volume declines.
  - Any residue gas that results in the future may be flared.