

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-48009
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SND 14 23 FED COM 001 P26
8. Well Number 227H
9. OGRID Number 4323
10. Pool name or Wildcat COTTON DRAW/BONE SPRING
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [x] Gas Well [] Other []
2. Name of Operator CHEVRON USA, INC.
3. Address of Operator 6301 DEAUVILLE BLVD, MIDLAND, TEXAS 79706
4. Well Location
Unit Letter : feet from the line and feet from the line
Section Township Range NMPM County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB [x]
OTHER: FRAC / TUBING [x]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SURFACE
2/19/2021 NOTIFIED JOE SALCIDO OF BLM AT 12:00 HRS ON 2/19/2021 OF INTENT TO SPUD
2/21/2021 SPUD WELL
02/22/2021 DRILLED 17 1/2 HOLE TO 812
2/22/2021 NOTIFIED GABRIEL BENEWAY OF BLM AT 08:00 HRS ON 2/22/2021 OF INTENT TO CASE AND CEMENT
2/22/2021 RUN 13 3/8 54.5#/J-55BTC TO 802 / CEMENT TAIL - 828 SACKS CLASS C @ 1.33 YIELD / 337 SACKS CEMENT TO SURFACE / FULL RETURNS / WOC TIME 24 HRS / TOP OF CEMENT 0 / FC @ 761 FS @ 800 / TEST TO 1500 PSI FOR 30 MINUTES
TEST GOOD
2/22/2021 - RELEASED RIG @ 12:00 HRS
SEE ADDITIONAL PAGES

Spud Date: 2/21/2021

Rig Release Date: 5/5/2021

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

SIGNATURE Carol Adler TITLE Sr. HSE Regulatory Affairs Coordinator DATE 5/17/2023

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

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

INTERMEDIATE 1

3/23/2021 NOTIFIED BLM AT 21:30 HRS ON 3/23/2021 OF INTENT TO PERFORM FULL BOPE TEST

3/23/2021 - FULL BOPE TEST / TEST TO 250 PSI LOW / 6550 PSI ON HIGH (ANNULAR TO 250 PSI LOW / 3500 PSI HIGH) / ALL TESTS GOOD

3/25/2021 NOTIFIED BLM AT 00:00 HRS ON 3/25/2021 OF INTENT TO DRILL INTERMEDIATE 1 AND SUBSEQUENTLY RUN CASING

3/25/2021 3/26/2021 DRILLED 12 1/4 HOLE TO 4557

3/26/2021 NOTIFIED BLM AT 18:00 HRS ON 3/26/2021 OF INTENT TO RUN CEMENT

3/27/2021 RUN 9 5/8 40.0#/L-80 IC BTC CASING TO 4557 / CEMENT WITH LEAD 565 SACKS CLASS C @ 2.81 YIELD TAIL 309 SACKS CLASS C @ 1.63 YIELD / WOC TIME 24 HRS / ESTIMATED TOP OF CEMENT 0 / FULL RETURNS / 100 SACKS CEMENT TO SURFACE / FC @ 4472 FS @ 4555 / TEST @ 2990 FOR 30 MINUTES TEST GOOD

3/27/2021 - TEST PACKOFF TO 6650 PSI FOR 15 MINUTES (LOWER) / 5000 PSI FOR 15 MINUTES (UPPER) TESTS GOOD

INTERMEDIATE 2

3/27/2021 3/30/2021 - DRILLED 8 3/4 HOLE TO 8501

3/29/2021 - NOTIFIED MANDELA KAMAU OF BLM AT 12:30 HRS ON 3/29/2021 OF INTENT TO RUN CASING AND CEMENT

3/29/2021 RUN 7 29.0#/TN110S TSH BLUE CASING TO 8491 / CEMENT WITH LEAD 472 SACKS CLASS C @ 2.58 YIELD TAIL 122 SACKS CLASS C @ 1.40 YIELD / NO CEMENT TO SURFACE / WOC TIME PER BLM REQUIREMENTS / ESTIMATED TOP OF CEMENT 6830 / FC @ 8402 FS @ 8489

3/31/2021 NOTIFIED MANDELA KAMAU OF BLM AT 16:00 HRS ON 3/31/2021 OF INTENT TO REMEDIATE

INTERMEDIATE 2 CASING

3/31/2021 REMEDIAL CEMENT ON 7 CASING WITH 790 SACKS CLASS C @ 1.35 YIELD / RAN CBL / ESTIMATED TOP OF CEMENT 1816 / WOC TIME 24 HRS / TEST @ 3700 FOR 30 MINUTES TEST GOOD

3/31/2021 TEST TO 6650 PSI FOR 15 MINUTES TEST GOOD

3/31/2021 RELEASED RIG @ 22:00 HRS

PRODUCTION

4/27/2021 NOTIFIED ZOTA STEVENS OF BLM AT 13:00 HRS ON 4/27/2021 OF INTENT TO TEST BOPE

4/27/2021 FULL BOPE TEST TEST TO 250 PSI LOW / 6650 PSI HIGH (3500 PSI ON ANNULAR) / ALL TESTS GOOD

4/27/2021 5/4/2021 DRILL 6 1/8 HOLE TO 19965

5/3/2021 NOTIFIED DAVID MURVINE OF BLM AT 13:00 HRS ON 5/3/2021 OF INTENT TO RUN CASING AND CEMENT

5/3/2021 - RUN 5 18.0#/P-110 TSH513 TO 8928 AND 4 1/2" 11.6#/P-110 W-521 TO 19955 / CEMENT WITH 717 SACKS CLASS C @ 1.84

YIELD / FULL RETURNS / 1 SACK CEMENT TO SURFACE / ESTIMATED TOP OF CEMENT 8271 / WOC TIME 24 HRS / FC @ 19928

FS @ 19951 / TEST TO 1853 PSI FOR 30 MINUTES TEST GOOD / KOP @ 8520

TEST TO 6650 PSI TEST GOOD

5/5/2021 RELEASED RIG @ 11:00 HRS

FRAC

FRAC 46 STAGES WITH 550,182 BBLS FLUID / 24,714,409 # 100 MESH BULK SAND PROPPANT / 1212 SHOTS 3 1/8 BALLS SIZE

TUBING

12/5/2021 - RAN 2 7/8 6 1/2# L-80 TUBING TO 8278 / PACKER SET @ 8256

PUT ON PRODUCTION 12/16/2021

ONSHORE ORDER NO. 1
Chevron
SND 14 23 FED COM 001 P26 227H
Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
DRILLING PLAN
PAGE: 1

Pad Summary: INSERT PAD NAME

The table below lists all the wells for the given pad and their respective name and TVD's (ft) for their production target intervals:

| Well Name(s) | Target TVD | Formation Desc. |
|--------------------------------|------------|-----------------|
| SND 14 23 FED COM 001 P26 225H | 9,027 | Lower Avalon |
| SND 14 23 FED COM 001 P26 226H | 9,027 | Lower Avalon |
| SND 14 23 FED COM 001 P26 227H | 9,027 | Lower Avalon |

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:
Elevation: 3539 ft

| FORMATION | SUB-SEA TVD | TVD | MD | LITHOLOGIES | MIN. RESOURCES | PROD. FORMATION |
|------------------------------|--------------|--------------|---------------|----------------------------------|----------------|-----------------|
| Rustler (RSLR) | 2803 | 736 | 736 | Dolomite | N/A | |
| Castile (CSTL) | 598 | 2,941 | 2,967 | Anhydrite | N/A | |
| Lamar (LMAR) | -953 | 4,492 | 4,546 | Limestone | N/A | |
| Bell Canyon (BLCN) | -998 | 4,537 | 4,592 | Sandstone | N/A | |
| Cherry Canyon (CRCN) | -1866 | 5,405 | 5,475 | Sandstone | N/A | |
| Brushy Canyon (BCN) | -3104 | 6,643 | 6,726 | Sandstone | N/A | |
| Bone Spring (BSGL) | -4815 | 8,354 | 8,437 | Limestone | Oil | |
| Upper Avalon (AVU) | -4899 | 8,438 | 8,521 | Limestone/Shale | Oil | |
| Lower Avalon Target 1 | -5488 | 9,027 | 19,890 | Limestone/Shale/Sandstone | Oil | yes |

| WELLBORE LOCATIONS | SUB-SEA TVD | RKB TVD | MD |
|--------------------|-------------|---------|--------|
| SHL | 3539 | - | |
| KOP | -4931 | 8,470 | 8,553 |
| FTP | -5504 | 9,043 | 9,446 |
| LTP | -5544 | 9,083 | 19,810 |

2. ESTIMATED DEPTH OF WATER, OIL, GAS & OTHER MINERAL BEARING FORMATIONS

The estimated depths at which the top and bottom of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

| Substance | Formation | Depth |
|--------------------------------------|--------------------|-------|
| Deepest Expected Base of Fresh Water | | 500 |
| Water | Cherry Canyon | 5,405 |
| Oil/Gas | Bone Spring (BSGL) | 8,354 |
| Oil/Gas | Avalon | 8,438 |

All shows of fresh water and minerals will be reported and protected.

3. BOP EQUIPMENT

Chevron will have a minimum of a 5,000 psi rig stack (see proposed schematic) for drill out below surface casing. 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 below). Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test will be conducted by a third party.

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 liner hole 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.

Chevron 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 nipped 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.

ONSHORE ORDER NO. 1
 Chevron
 SND 14 23 FED COM 001 P26 227H
 Eddy County, NM

CONFIDENTIAL -- TIGHT HOLE
 DRILLING PLAN
 PAGE: 2

4. CASING PROGRAM

a. The proposed casing program will be as follows:

| Purpose | From | To | Hole Size | Csg Size | Weight | Grade | Thread | Condition |
|------------------|--------|---------|-----------|--------------|--------|----------|-------------|-----------|
| Surface | 0' | 875' | 12-1/4" | 9-5/8" | 40# | L-80 | BTC/LTC | New |
| Production | 0' | 8,500' | 8-3/4" | 7" | 29.0 # | P/TN-110 | BLUE | New |
| Production Liner | 8,200' | 19,890' | 6-1/8" | 5** / 4-1/2" | 11.6 # | P-110 | W531**/W521 | New |

**5" contingency from TOL to 200' above planned 1st perf depth

b. Casing design subject to revision based on geologic conditions encountered.

A "Worst Case" casing design for wells in a particular area is used below to calculate the Casing Safety Factors. If for any reason the casing design for a particular well requires setting casing deeper than the following "worst case" design, then the Casing Safety Factors will be recalculated & sent to the BLM prior to drilling.

d. Chevron will fill casing at a minimum of every 20 jts (~840') while running for intermediate and production casing in order to maintain collapse SF.

SF Calculations based on the following "Worst Case" casing design:

| | | | |
|----------------------|---------|-------|------------|
| Intermediate Casing: | 1,000' | ftTVD | max depths |
| Production Casing: | 8,987' | ftTVD | max depths |
| Production Casing: | 19,920' | ftMD | max depths |

| Casing String | Min SF Burst | Min SF Collapse | Min SF Tension | Min SF Tri-Axial |
|------------------|--------------|-----------------|----------------|------------------|
| Surface | 3.57 | 6.65 | 5.32 | 3.74 |
| Production | 1.15 | 5.28 | 2.64 | 1.23 |
| Production Liner | 1.10 | 1.26 | 1.53 | 1.16 |

The following worst case load cases were considered for calculation of the above Min. Safety Factors:

| Burst Design | Surf | Prod | Prod Lnr |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|----------|
| Pressure Test- Surface, Prod Csg, Prod Liner P external: Mud weight above TOC, PP below P internal: Test psi + next section heaviest mud in csg | X | X | X |
| Displace to Gas- Surf Csg P external: Mud weight above TOC, PP below P internal: Dry Gas from Next Csg Point | X | | |
| Gas over mud (60/40) - Prod Csg P external: Mud weight above TOC, PP below P internal: 60% gas over 40% mud from hole TD PP | | | |
| Stimulation (Frac) Pressures- Prod Liner P external: Mud weight above TOC, PP below P internal: Max inj pressure w/ heaviest injected fluid | | X | X |
| Tubing leak- Prod Csg (packer at KOP) P external: Mud weight above TOC, PP below P internal: Leak just below surf, 8.45 ppg packer fluid | | X | X |
| Collapse Design | Surf | Prod | Prod Lnr |
| Full Evacuation P external: Mud weight gradient P internal: none | X | X | X |
| Cementing- Surf, Int, Prod Csg P external: Wet cement P internal: displacement fluid - water | X | X | X |
| Tension Design | Surf | Prod | Prod Lnr |
| 100k lb overpull | X | X | X |

5. **CEMENTING PROGRAM**

| Slurry | Type | Top | Bottom | Sacks | Yield | Density | %Excess | Water | Volume | Additives |
|----------------------------------------|------------------|---------|---------|-------|-------|---------|---------|-------|--------|----------------------------------------------------|
| <u>Intermediate Csq 9-5/8</u> | | | | | | | | | | |
| Tail | Class C | 0' | 875' | 409 | 1.34 | 14.8 | 100 | 6.40 | 548 | Extender, Antifoam, Retarder |
| <u>Production 7"</u> | | | | | | | | | | |
| <u>Planned single stage cement job</u> | | | | | | | | | | |
| 1st Lead | Class C | 0' | 7,500' | 881 | 2.56 | 11.9 | 100 | 14.66 | 2255 | Extender, Antifoam, Retarder, Viscosifier |
| 1st Tail | Class C | 7,500' | 8,500' | 170 | 1.33 | 14.8 | 50 | 6.38 | 226 | Extender, Antifoam, Retarder, Viscosifier |
| <u>Contingency: Top Job</u> | | | | | | | | | | |
| 1st Tail | Class C | 0' | 6,700' | 1136 | 1.33 | 14.8 | 50 | 6.38 | 1511 | Extender, Antifoam, Retarder, Viscosifier |
| <u>Production Liner 4-1/2"</u> | | | | | | | | | | |
| Lead | Class C | 8,300' | 18,890' | 596 | 1.84 | 13.2 | 10 | 9.86 | 1097 | Extender, Antifoam, Retarder, Viscosifier |
| Tail | Acid Sol Class H | 18,890' | 19,890' | 48 | 2.16 | 15 | 10 | 9.22 | 104 | Extender, Antifoam, Retarder, Viscosifier |

1. Final cement volumes will be determined by caliper.
2. Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
3. Production casing will have one solid body or bow spring type centralizer on every joint in the lateral, then every other joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing and surface.

6. **MUD PROGRAM**

| From (TVD) | To (TVD) | Type | Weight | Viscosity | Filtrate | Notes |
|------------|----------|-----------|------------|-----------|----------|----------------------------------------------------------------------------------------------------------------------------|
| 0' | 875' | Brine | 8.3 - 10.3 | 26-36 | 15-25 | |
| 875' | 8,500' | WBM/Brine | 8.7 - 10.6 | 26-36 | 15-25 | |
| 8,500' | 9,027' | OBM | 8.7 - 13 | 50-70 | 5-10 | Due to wellbore stability, the mud program may exceed the MW weight window needed to maintain overburden of pore pressure. |

A closed system will be used consisting of above ground steel tanks. 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. Sanitary wastes will be contained in a chemical porta-toilet and then hauled to an approved sanitary landfill.

All fluids and cuttings will be disposed of in accordance with New Mexico Oil Conservation Division rules and regulations. And transporting of E&P waste will follow EPA regulations and accompanying manifests.

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.

A weighting agent and lost circulating material (LCM) will be onsite to mitigate pressure or lost circulation as hole conditions dictate.

7. **TESTING, LOGGING, AND CORING**

The anticipated type and amount of testing, logging, and coring are as follows:

- a. Drill stem tests are not planned.
- b. The logging program will be as follows:

| TYPE | Logs | Interval | Timing |
|---------|--------------|------------------------------------------|-------------------------------|
| Mudlogs | 2 man mudlog | Surface casing shoe through prod hole TD | While drilling or circulating |
| LWD | MWD Gamma | Int. and Prod. Hole | While Drilling |

- c. Conventional whole core samples are not planned.
- d. A directional survey will be run.

8. **ABNORMAL PRESSURES AND HYDROGEN SULFIDE**

- a. No abnormal pressure or temperatures are expected. Estimated BHP is: 2,145 psi
- b. Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered

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 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 217746

CONDITIONS

| | |
|----------------------------------------------------------------------------|------------------------------------------------|
| Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706 | OGRID: 4323 |
| | Action Number: 217746 |
| | Action Type: [C-103] Sub. Drilling (C-103N) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| nmurphy | None | 7/25/2023 |