Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone

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

8. Lease Name and Well No.

[332914]

2. Name of Operator **[4323]**

9. API Well No. **30-025-50232**

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory **[98307]** **XXXXXXXXX**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

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.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Title		
Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Title	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 of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NGMP Rec 05/17/2022

KZ
06/09/2022

SL

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 04/27/2022

District I
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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
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

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-50232	98307	NEEDMORE TANK;BONE SPRING

[4] Property Code	[5] Property Name	[6] Well Number
332914	SD 29 32 FED COM P364	426H

[7] OGRID No.	[8] Operator Name	[9] Elevation
4323	CHEVRON U.S.A. INC.	3226'

[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
A	29	26 SOUTH	33 EAST, N.M.P.M.		861'	NORTH	875'	EAST	LEA

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	26 SOUTH	33 EAST, N.M.P.M.		25'	SOUTH	330'	EAST	LEA

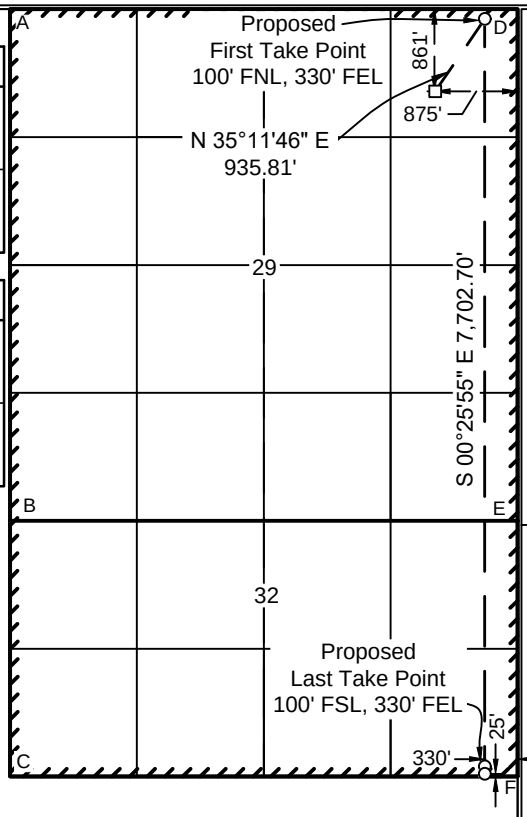
[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
474.85	INFILL		

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.

[16]

SD 29 32 FED COM P364 NO. 426H WELL			PROPOSED FIRST TAKE POINT		
X=	730,973'	NAD 27	X=	731,513'	NAD 27
Y=	371,533'		Y=	372,298'	
LAT.	32.019268° N		LAT.	32.021360° N	
LONG.	103.588099° W		LONG.	103.586342° W	
X=	772,161'	NAD83/2011	X=	772,700'	NAD83/2011
Y=	371,590'		Y=	372,354'	
LAT.	32.019393° N		LAT.	32.021485° N	
LONG.	103.588566° W		LONG.	103.586808° W	
ELEV.	+3226'	NAVD88			

PROPOSED LAST TAKE POINT			PROPOSED BOTTOM HOLE LOCATION		
X=	731,570'	NAD 27	X=	731,571'	NAD 27
Y=	364,670'		Y=	364,595'	
LAT.	32.000392° N		LAT.	32.000186° N	
LONG.	103.586327° W		LONG.	103.586326° W	
X=	772,758'	NAD83/2011	X=	772,759'	NAD83/2011
Y=	364,727'		Y=	364,652'	
LAT.	32.000518° N		LAT.	32.000312° N	
LONG.	103.586792° W		LONG.	103.586791° W	



CORNER COORDINATES TABLE (NAD 27)
A - Y=372364.44, X=726553.40
B - Y=367082.03, X=726595.48
C - Y=364535.63, X=726617.46
D - Y=372399.73, X=731841.78
E - Y=367127.04, X=731881.26
F - Y=364572.35, X=731900.79

[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cindy Herrera-Murillo 10/12/2021
Signature Date

Cindy Herrera-Murillo
Printed Name

eeof @chevron.com
E-mail Address

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/09/2020
Date of Survey

Signature and Seal of Professional Surveyor:

ROBERT L. LASTRAPES NEW MEXICO 23006 PROFESSIONAL SURVEYOR

05/13/2020

Certificate Number

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: Chevron USA **OGRID:** 4323 **Date:** 4 / 3 / 22

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

If Other, please describe: _____

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

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
SD 18 19 Fed Com P361 424H	*Pending*	UL:B, SEC 18, T26S- R33E	424' FNL, 2066' FEL	2176 BBL/D	6554 MCF/D	3733 BBL/D
SD 18 19 Fed Com P361 425H	*Pending*	UL:B, SEC 18, T26S- R33E	424' FNL, 2041' FEL	2176 BBL/D	6554 MCF/D	3733 BBL/D
SD 18 19 Fed Com P361 426H	*Pending* 30-025-50232	UL:B, SEC 18, T26S- R33E	425' FNL, 2016' FEL	2176 BBL/D	6554 MCF/D	3733 BBL/D

IV. Central Delivery Point Name: Satellite #18 [See 19.15.27.9(D)(1) NMAC]

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

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
SD 18 19 Fed Com P361 424H	*Pending*	2/21/2024	N/A	N/A	N/A	N/A
SD 18 19 Fed Com P361 425H	*Pending*	3/10/2024	N/A	N/A	N/A	N/A
SD 18 19 Fed Com P361 426H	*Pending* 30-025-50232	3/28/2024	N/A	N/A	N/A	N/A

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

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

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

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	Cindy Herrera-Murillo
Printed Name:	Cindy Herrera-Murillo
Title:	Sr HSE Regulatory affairs Coordinator
E-mail Address:	eeof@chevron.com
Date:	04/19/2022
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.

Operator Name: CHEVRON USA INCORPORATED

Well Name: SD 29 32 FED COM P364 **Well Number:** 426H

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.

Choke Diagram Attachment:

BLM_Choke_Hose_Test_Specs_and_Pressure_Test_Continental_20210215104335.pdf

BLM_5M_Choke_Manifold_Diagram_20211012143145.pdf

Sundry_Break_Testing_and_WOC_SD_P364_20211012143226.pdf

BOP Diagram Attachment:

BLM_5M_Annular_10M_Rams_Stackup_and_Test_Plan_20210215104614.pdf

NM_Slim_Hole_Wellhead_6650_psi_UH_S_20220201125440.pdf

Section 3 - Casing

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	16	13.625	NEW	API	N	0	749	0	749	3226	2477	749	J-55	54.5	ST&C	2.13	1.43	DRY	4.07	DRY	4.07
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	5044	0	4884	3202	-1658	5044	L-80	40	OTHER - BTC	1.24	1.64	DRY	2.78	DRY	2.78
3	PRODUCTION	8.75	7.0	NEW	API	N	0	10349	0	10262	3202	-7036	10349	OTHER	29	OTHER - BLUE	1.63	1.15	DRY	2.39	DRY	2.39
4	PRODUCTION	6.18	4.5	NEW	API	N	10049	18341	10049	10958	-6823	-7732	8292	P-110	11.6	OTHER - W-521	1.39	1.1	DRY	1.32	DRY	1.32

Casing Attachments

Operator Name: CHEVRON USA INCORPORATED

Well Name: SD 29 32 FED COM P364 **Well Number:** 426H

Casing Attachments

Casing ID: 1 **String** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

13.375_54.5ppf_J55_STC_20210303135654.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_20210303135958.pdf

Casing ID: 3 **String** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

7_29ppf_TN110SS_TSH_Blue_20210303140133.pdf

Operator Name: CHEVRON USA INCORPORATED

Well Name: SD 29 32 FED COM P364 **Well Number:** 426H

Casing Attachments

Casing ID: 4 **String** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

5_18ppf_P110_Flush_W513_20210303140533.pdf

4.5_11.6ppf_P110_TSH_W521_20210303140546.pdf

Section 4 - Cement

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	749	350	1.34	14.8	469	100	CLASS C	EXTENDER, ANTIFOAM,RETARDER
INTERMEDIATE	Lead		0	4044	1267	2	13.2	2533	100	CLASS C	EXTENDER, ANTIFOAM, RETARDER,VISCOSIFIER
INTERMEDIATE	Tail		0	5044	336	1.4	14.8	470	50	CLASS C	EXTENDER, ANTIFORM, RETARDER,VISCOSIFIER
PRODUCTION	Lead		4544	9349	542	2	13.2	1084	50	CLASS C	EXTENDER, ANTIFOAM, RETARDER,VISCOSIFIER
PRODUCTION	Tail		9349	10349	134	1.4	14.8	188	50	CLASS C	EXTENDER, ANTIFOAM, RETARDER,VISCOSIFIER
PRODUCTION	Lead		10049	18341	536	1.84	13.2	987	25	Class C	EXTENDER, ANTIFOAM, RETARDER, VISCOSIFIER

Operator Name: CHEVRON USA INCORPORATED

Well Name: SD 29 32 FED COM P364 **Well Number:** 426H

Section 5 - Circulating Medium

Mud System Type: Closed

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 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 transportating 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.

Describe the mud monitoring system utilized: 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

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	749	SPUD MUD	8.3	8.9							Viscosity 26-36 Filtration15-25
749	5044	SALT SATURATED	8.3	10.6							Viscosity 26-36 Filtration15-25
5044	10349	OTHER : WBM/BRINE	8.7	10.6							Viscosity 26-36 Filtration 15-25
10349	18341	OIL-BASED MUD	8.7	10.5							Viscosity 50-70 Filtration 5-10

Operator Name: CHEVRON USA INCORPORATED

Well Name: SD 29 32 FED COM P364 **Well Number:** 426H

Section 6 - Test, Logging, Coring

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

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.

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

GAMMA RAY LOG,DIRECTIONAL SURVEY,

Coring operation description for the well:

No coring

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5396 **Anticipated Surface Pressure:** 2985

Anticipated Bottom Hole Temperature(F): 150

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

Chevron_Standard_H2S_Contingency_Plan_20200506112852_20211012144019.pdf

Operator Name: CHEVRON USA INCORPORATED

Well Name: SD 29 32 FED COM P364 **Well Number:** 426H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

SD_P364_426H_R0_20210308100736.pdf

SD_29_32_FED_COM_P364_426H_20220201125537.pdf

Other proposed operations facets description:

Chevron formally requests the variances below:

- Authorization to use the spudder rig to spud the well and set surface and intermediate casing. The drilling rig will move in less than 90 days to continue drilling operations. Rig layouts attached.

Other proposed operations facets attachment:

SD_29_32_FED_COM_P364_Gas_Capture_Plan_20210303153643.pdf

SD_P364_3_well_20210303153917.pdf

Surface_Rig___Request_20210303153945.pdf

Operational_Best_Management_Practices_V2_20211012144124.pdf

Other Variance attachment:

Schlumberger

Chevron

SD 29 32 Fed Com P364 426H R0 mdv 23Feb21 Proposal Geodetic Report

(Def Plan)

Report Date:	February 23, 2021 - 02:53 PM	**Survey / DLS Computation:**	Minimum Curvature / Lubinski
Client:	Chevron	**Vertical Section Azimuth:**	179.570 ° (Grid North)
Field:	NM Lea County (NAD 27)	**Vertical Section Origin:**	0.000 ft, 0.000 ft
Structure / Slot:	Chevron SD 29 32 Fed Com P364 Pad / 426H	**TVD Reference Datum:**	RKB = 30ft (TBD)
Well:	SD 29 32 Fed Com P364 426H	**TVD Reference Elevation:**	3256.000 ft above MSL
Borehole:	SD 29 32 Fed Com P364 426H	**Seabed / Ground Elevation:**	3226.000 ft above MSL
UWI / API#:	Unknown / Unknown	**Magnetic Declination:**	6.472 °
Survey Name:	SD 29 32 Fed Com P364 426H R0 mdv 23Feb21	**Total Gravity Field Strength:**	998.4345mgn (9.80665 Based)
Survey Date:	February 23, 2021	**Gravity Model:**	GARM
Tort / AHD / DDI / ERD Ratio:	113.061 ° / 8729.982 ft / 6.220 / 0.797	**Total Magnetic Field Strength:**	47487.984 nT
Coordinate Reference System:	NAD27 New Mexico State Plane, Eastern Zone, US Feet	**Magnetic Dip Angle:**	59.580 °
Location Lat / Long:	N 32° 1' 9.36786", W 103° 35' 17.15904"	**Declination Date:**	February 23, 2021
Location Grid N/E Y/X:	N 371533.000 ftUS, E 730973.000 ftUS	**Magnetic Declination Model:**	HDGM 2020
CRS Grid Convergence Angle:	0.3951 °	**North Reference:**	Grid North
Grid Scale Factor:	0.99997019	**Grid Convergence Used:**	0.3951 °
Version / Patch:	2.10.825.0	**Total Corr Mag North->Grid North:**	6.0766 °
		Local Coord Referenced To:	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 ° ' ")
Surface	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	100.00	0.00	33.53	100.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	200.00	0.00	33.53	200.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	300.00	0.00	33.53	300.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	400.00	0.00	33.53	400.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	500.00	0.00	33.53	500.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	600.00	0.00	33.53	600.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	700.00	0.00	33.53	700.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
Rustler (RSLR)	*748.00*	*0.00*	*33.53*	*748.00*	*0.00*	*0.00*	*0.00*	*0.00*	*371533.00*	*730973.00*	*N 32 1 9.37*	*W 103 35 17.16*
13 3/8" Casing	800.00	0.00	33.53	800.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
Build 1.5°/100ft	900.00	0.00	33.53	900.00	0.00	0.00	0.00	0.00	371533.00	730973.00	N 32 1 9.37	W 103 35 17.16
	1000.00	1.50	33.53	999.99	-1.09	1.09	0.72	1.50	371534.09	730973.72	N 32 1 9.38	W 103 35 17.15
	1100.00	3.00	33.53	1099.91	-4.34	4.36	2.89	1.50	371537.36	730975.89	N 32 1 9.41	W 103 35 17.13
	1200.00	4.50	33.53	1199.69	-9.77	9.82	6.50	1.50	371542.82	730979.50	N 32 1 9.46	W 103 35 17.08
	1300.00	6.00	33.53	1299.27	-17.36	17.44	11.56	1.50	371550.44	730984.56	N 32 1 9.54	W 103 35 17.02
	1400.00	7.50	33.53	1398.57	-27.11	27.24	18.05	1.50	371560.24	730991.05	N 32 1 9.64	W 103 35 16.95
	1500.00	9.00	33.53	1497.54	-39.01	39.20	25.97	1.50	371572.20	730998.97	N 32 1 9.75	W 103 35 16.85
	1600.00	10.50	33.53	1596.09	-53.05	53.32	35.33	1.50	371586.32	731008.33	N 32 1 9.89	W 103 35 16.74
Hold	1633.58	11.00	33.53	1629.07	-58.25	58.54	38.79	1.50	371591.54	731011.78	N 32 1 9.94	W 103 35 16.70
	1700.00	11.00	33.53	1694.28	-68.77	69.11	45.79	0.00	371602.11	731018.79	N 32 1 10.05	W 103 35 16.62
	1800.00	11.00	33.53	1792.44	-84.60	85.02	56.33	0.00	371618.02	731029.33	N 32 1 10.21	W 103 35 16.50
	1900.00	11.00	33.53	1890.60	-100.43	100.94	66.87	0.00	371633.93	731039.87	N 32 1 10.36	W 103 35 16.37
	2000.00	11.00	33.53	1988.76	-116.26	116.85	77.41	0.00	371649.84	731050.41	N 32 1 10.52	W 103 35 16.25
	2100.00	11.00	33.53	2086.92	-132.10	132.76	87.96	0.00	371665.75	731060.95	N 32 1 10.68	W 103 35 16.13
	2200.00	11.00	33.53	2185.09	-147.93	148.67	98.50	0.00	371681.67	731071.50	N 32 1 10.83	W 103 35 16.00
	2300.00	11.00	33.53	2283.25	-163.76	164.58	109.04	0.00	371697.58	731082.04	N 32 1 10.99	W 103 35 15.88
	2400.00	11.00	33.53	2381.41	-179.59	180.49	119.58	0.00	371713.49	731092.58	N 32 1 11.15	W 103 35 15.76
	2500.00	11.00	33.53	2479.57	-195.42	196.41	130.12	0.00	371729.40	731103.12	N 32 1 11.30	W 103 35 15.63
	2600.00	11.00	33.53	2577.73	-211.26	212.32	140.67	0.00	371745.31	731113.66	N 32 1 11.46	W 103 35 15.51
	2700.00	11.00	33.53	2675.89	-227.09	228.23	151.21	0.00	371761.22	731124.20	N 32 1 11.62	W 103 35 15.38
	2800.00	11.00	33.53	2774.05	-242.92	244.14	161.75	0.00	371777.13	731134.75	N 32 1 11.77	W 103 35 15.26
	2900.00	11.00	33.53	2872.22	-258.75	260.05	172.29	0.00	371793.04	731145.29	N 32 1 11.93	W 103 35 15.14
	3000.00	11.00	33.53	2970.38	-274.58	275.96	182.83	0.00	371808.96	731155.83	N 32 1 12.09	W 103 35 15.01
	3100.00	11.00	33.53	3068.54	-290.42	291.88	193.38	0.00	371824.87	731166.37	N 32 1 12.24	W 103 35 14.89
Castile (CSTL)	*3123.90*	*11.00*	*33.53*	*3092.00*	*-294.20*	*295.68*	*195.90*	*0.00*	*371828.67*	*731168.89*	*N 32 1 12.28*	*W 103 35 14.86*
	3200.00	11.00	33.53	3166.70	-306.25	307.79	203.92	0.00	371840.78	731176.91	N 32 1 12.40	W 103 35 14.77
	3300.00	11.00	33.53	3264.86	-322.08	323.70	214.46	0.00	371856.69	731187.45	N 32 1 12.56	W 103 35 14.64
	3400.00	11.00	33.53	3363.02	-337.91	339.61	225.00	0.00	371872.60	731198.00	N 32 1 12.71	W 103 35 14.52
	3500.00	11.00	33.53	3461.18	-353.75	355.52	235.54	0.00	371888.51	731208.54	N 32 1 12.87	W 103 35 14.39
	3600.00	11.00	33.53	3559.35	-369.58	371.44	246.09	0.00	371904.42	731219.08	N 32 1 13.03	W 103 35 14.27
	3700.00	11.00	33.53	3657.51	-385.41	387.35	256.63	0.00	371920.33	731229.62	N 32 1 13.18	W 103 35 14.15
	3800.00	11.00	33.53	3755.67	-401.24	403.26	267.17	0.00	371936.25	731240.16	N 32 1 13.34	W 103 35 14.02
	3900.00	11.00	33.53	3853.83	-417.07	419.17	277.71	0.00	371952.16	731250.70	N 32 1 13.50	W 103 35 13.90
	4000.00	11.00	33.53	3951.99	-432.91	435.08	288.25	0.00	371968.07	731261.25	N 32 1 13.65	W 103 35 13.78
	4100.00	11.00	33.53	4050.15	-448.74	450.99	298.80	0.00	371983.98	731271.79	N 32 1 13.81	W 103 35 13.65
	4200.00	11.00	33.53	4148.32	-464.57	466.91	309.34	0.00	371999.89	731282.33	N 32 1 13.97	W 103 35 13.53
	4300.00	11.00	33.53	4246.48	-480.40	482.82	319.88	0.00	372015.80	731292.87	N 32 1 14.12	W 103 35 13.41
	4400.00	11.00	33.53	4344.64	-496.24	498.73	330.42	0.00	372031.71	731303.41	N 32 1 14.28	W 103 35 13.28
	4500.00	11.00	33.53	4442.80	-512.07	514.64	340.96	0.00	372047.63	731313.95	N 32 1 14.44	W 103 35 13.16
	4600.00	11.00	33.53	4540.96	-527.90	530.55	351.51	0.00	372063.54	731324.50	N 32 1 14.59	W 103 35 13.03
	4700.00	11.00	33.53	4639.12	-543.73	546.46	362.05	0.00	372079.45	731335.04	N 32 1 14.75	W 103 35 12.91
9 5/8" Casing	*4762.02*	*11.00*	*33.53*	*4700.00*	*-553.55*	*556.33*	*368.59*	*0.00*	*372089.32*	*731341.58*	*N 32 1 14.85*	*W 103 35 12.83*
	4800.00	11.00	33.53	4737.28	-559.56	562.38	372.59	0.00	372095.36	731345.58	N 32 1 14.91	W 103 35 12.79
	4900.00	11.00	33.53	4835.45	-575.40	578.29	383.13	0.00	372111.27	731356.12	N 32 1 15.06	W 103 35 12.66
Lamar (LMAR)	*4948.44*	*11.00*	*33.53*	*4883.00*	*-583.07*	*586.00*	*388.24*	*0.00*	*372118.98*	*731361.23*	*N 32 1 15.14*	*W 103 35 12.60*
Bell Canyon (BLCN)	*4981.04*	*11.00*	*33.53*	*4915.00*	*-588.23*	*591.18*	*391.68*	*0.00*	*372124.17*	*731364.66*	*N 32 1 15.19*	*W 103 35 12.56*
	5000.00	11.00	33.53	4933.61	-591.23	594.20	393.68	0.00	372127.18	731366.66	N 32 1 15.22	W 103 35 12.54
	5100.00	11.00	33.53	5031.77	-607.06	610.11	404.22	0.00	372143.09	731377.20	N 32 1 15.38	W 103 35 12.42
	5200.00	11.00	33.53	5129.93	-622.89	626.02	414.76	0.00	372159.00	731387.75	N 32 1 15.53	W 103 35 12.29
	5300.00	11.00	33.53	5228.09	-638.73	641.94	425.30	0.00	372174.92	731398.29	N 32 1 15.69	W 103 35 12.17
	5400.00	11.00	33.53	5326.25	-654.56	657.85	435.84	0.00	372190.83	731408.83	N 32 1 15.85	W 103 35 12.04
	5500.00	11.00	33.53	5424.41	-670.39	673.76	446.39	0.00	372206.74	731419.37	N 32 1 16.00	W 103 35 11.92
	5600.00	11.00	33.53	5522.58	-686.22	689.67	456.93	0.00	372222.65	731429.91	N 32 1 16.16	W 103 35 11.80
Drop .75°/100ft	5648.67	11.00	33.53	5570.35	-693.93	697.41	462.06	0.00	372230.39	731435.04	N 32 1 16.24	W 103 35 11.74
	5700.00	10.62	33.53	5620.77	-701.91	705.44	467.38	0.75	372238.42	731440.36	N 32 1 16.32	W 103 35 11.67
	5800.00	9.87	33.53	5719.18	-716.66	720.27	477.20	0.75	372253.24	731450.18	N 32 1 16.46	W 103 35 11.56
	5900.00	9.12	33.53	5817.81	-730.35	734.02	486.31	0.75	372266.99	731459.29	N 32 1 16.60	W 103 35 11.45
	6000.00	8.37	33.53	5916.64	-742.95	746.69	494.70	0.75	372279.66	731467.69	N 32 1 16.72	W 103 35 11.35
Cherry Canyon (CRCN)	*6028.65*	*8.15*	*33.53*	*5945.00*	*-746.37*	*750.12*	*496.98*	*0.75*	*372283.10*	*731469.96*	*N 32 1 16.76*	*W 103 35 11.33*
	6100.00	7.62	33.53	6015.67	-754.49	758.28	502.38	0.75	372291.26	731475.37	N 32 1 16.84	W 103 35 11.26
	6200.00	6.87	33.53	6114.87	-764.95	768.79	509.35	0.75	372301.77	731482.33	N 32 1 16.94	W 103 35 11.18
	6300.00	6.12	33.53	6214.23	-774.33	778.22	515.59	0.75	372311.20	731488.58	N 32 1 17.03	W 103 35 11.11
	6400.00	5.37	33.53	6313.73	-782.63	786.56	521.12	0.75	372319.54	731494.10	N 32 1 17.12	W 103 35 11.04
	6500.00	4.62	33.53	6413.35	-789.85	793.82	525.93	0.75	372326.79	731498.91	N 32 1 17.19	W 103 35 10.99
	6600.00	3.87	33.53	6513.07	-795.99	799.99	530.02	0.75	372332.96	731503.00	N 32 1 17.25	W 103 35 10.94
	6700.00	3.12	33.53	6612.88	-801.04	805.07	533.38	0.75	372338.04	731506.36	N 32 1 17.30	W 103 35 10.90
	6800.00	2.37	33.53	6712.77	-805.01	809.06	536.02	0.75	372342.03	731509.01	N 32 1 17.34	W 103 35 10.87
	6900.00	1.62	33.53	6812.71	-807.90	811.96	537.95	0.75	372344.93	731510.93	N 32 1 17.37	W 103 35 10.85
	7000.00	0.87	33.53	6912.68	-809.70	813.77	539.15	0.75	372346.74	731512.13	N 32 1 17.38	W 103 35 10.83
	7100.00	0.12	33.53	7012.68	-810.41	814.49	539.62	0.75	372347.46	731512.60	N 32 1 17.39	W 103 35 10.83

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 ° ' ")
Hold Vertical	7115.82	0.00	33.53	7028.50	-810.43	814.50	539.63	0.75	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	7200.00	0.00	33.53	7112.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	7300.00	0.00	33.53	7212.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	7400.00	0.00	33.53	7312.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	7500.00	0.00	33.53	7412.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	7600.00	0.00	33.53	7512.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
Brushy Canyon (BCN)	*7623.32*	*0.00*	*33.53*	*7536.00*	*-810.43*	*814.50*	*539.63*	*0.00*	*372347.47*	*731512.61*	*N 32 1 17.39*	*W 103 35 10.83*
	7700.00	0.00	33.53	7612.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	7800.00	0.00	33.53	7712.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	7900.00	0.00	33.53	7812.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8000.00	0.00	33.53	7912.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8100.00	0.00	33.53	8012.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8200.00	0.00	33.53	8112.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8300.00	0.00	33.53	8212.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8400.00	0.00	33.53	8312.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8500.00	0.00	33.53	8412.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8600.00	0.00	33.53	8512.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8700.00	0.00	33.53	8612.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8800.00	0.00	33.53	8712.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	8900.00	0.00	33.53	8812.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9000.00	0.00	33.53	8912.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9100.00	0.00	33.53	9012.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
Bone Spring (BSGL)	*9177.32*	*0.00*	*33.53*	*9090.00*	*-810.43*	*814.50*	*539.63*	*0.00*	*372347.47*	*731512.61*	*N 32 1 17.39*	*W 103 35 10.83*
	9200.00	0.00	33.53	9112.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
Upper Avalon (AVN)	*9204.32*	*0.00*	*33.53*	*9117.00*	*-810.43*	*814.50*	*539.63*	*0.00*	*372347.47*	*731512.61*	*N 32 1 17.39*	*W 103 35 10.83*
	9300.00	0.00	33.53	9212.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9400.00	0.00	33.53	9312.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9500.00	0.00	33.53	9412.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9600.00	0.00	33.53	9512.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9700.00	0.00	33.53	9612.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9800.00	0.00	33.53	9712.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	9900.00	0.00	33.53	9812.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
7" Casing	*9987.32*	*0.00*	*33.53*	*9900.00*	*-810.43*	*814.50*	*539.63*	*0.00*	*372347.47*	*731512.61*	*N 32 1 17.39*	*W 103 35 10.83*
	10000.00	0.00	33.53	9912.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
Top Bone Spring 1 (FBS)	*10076.32*	*0.00*	*33.53*	*9989.00*	*-810.43*	*814.50*	*539.63*	*0.00*	*372347.47*	*731512.61*	*N 32 1 17.39*	*W 103 35 10.83*
	10100.00	0.00	33.53	10012.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	10200.00	0.00	33.53	10112.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	10300.00	0.00	33.53	10212.68	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
KOP, Build 10°/100ft	10349.82	0.00	33.53	10262.50	-810.43	814.50	539.63	0.00	372347.47	731512.61	N 32 1 17.39	W 103 35 10.83
	10400.00	5.02	179.57	10312.62	-808.23	812.30	539.65	10.00	372345.28	731512.63	N 32 1 17.37	W 103 35 10.83
	10500.00	15.02	179.57	10410.97	-790.86	794.93	539.78	10.00	372327.91	731512.76	N 32 1 17.20	W 103 35 10.83
FTP Cross	*10589.74*	*23.99*	*179.57*	*10495.47*	*-760.93*	*765.00*	*540.01*	*10.00*	*372297.98*	*731512.99*	*N 32 1 16.90*	*W 103 35 10.83*
	10600.00	25.02	179.57	10504.81	-756.67	760.74	540.04	10.00	372293.72	731513.02	N 32 1 16.86	W 103 35 10.83
	10700.00	35.02	179.57	10591.28	-706.71	710.78	540.42	10.00	372243.76	731513.40	N 32 1 16.36	W 103 35 10.83
Top Bone Spring 2 (SBU)	*10724.45*	*37.46*	*179.57*	*10611.00*	*-692.25*	*696.33*	*540.53*	*10.00*	*372229.31*	*731513.51*	*N 32 1 16.22*	*W 103 35 10.83*
	10800.00	45.02	179.57	10667.77	-642.48	646.56	540.90	10.00	372179.54	731513.89	N 32 1 15.73	W 103 35 10.82
	10900.00	55.02	179.57	10731.94	-565.96	570.04	541.48	10.00	372103.02	731514.47	N 32 1 14.97	W 103 35 10.82
Proposed FTP	11000.00	65.02	179.57	10781.85	-479.45	483.53	542.14	10.00	372016.52	731515.12	N 32 1 14.12	W 103 35 10.82
Second Bone Spring Target	*11075.02*	*72.52*	*179.57*	*10809.00*	*-409.57*	*413.65*	*542.67*	*10.00*	*371946.64*	*731515.65*	*N 32 1 13.42*	*W 103 35 10.82*
	11100.00	75.02	179.57	10815.98	-385.59	389.67	542.85	10.00	371922.66	731515.83	N 32 1 13.19	W 103 35 10.82
	11200.00	85.02	179.57	10833.29	-287.23	291.32	543.60	10.00	371824.31	731516.58	N 32 1 12.21	W 103 35 10.82
Landing Point	11244.82	89.50	179.57	10835.44	-242.47	246.56	543.94	10.00	371779.55	731516.92	N 32 1 11.77	W 103 35 10.82
	11300.00	89.50	179.57	10835.92	-187.29	191.38	544.35	0.00	371724.38	731517.34	N 32 1 11.22	W 103 35 10.82
	11400.00	89.50	179.57	10836.79	-87.30	91.39	545.11	0.00	371624.39	731518.09	N 32 1 10.23	W 103 35 10.82
	11500.00	89.50	179.57	10837.66	12.70	-8.60	545.87	0.00	371524.40	731518.85	N 32 1 9.25	W 103 35 10.82
	11600.00	89.50	179.57	10838.54	112.70	-108.60	546.63	0.00	371424.41	731519.61	N 32 1 8.26	W 103 35 10.82
	11700.00	89.50	179.57	10839.41	212.69	-208.59	547.39	0.00	371324.42	731520.37	N 32 1 7.27	W 103 35 10.82
	11800.00	89.50	179.57	10840.28	312.69	-308.58	548.14	0.00	371224.43	731521.13	N 32 1 6.28	W 103 35 10.82
	11900.00	89.50	179.57	10841.15	412.69	-408.58	548.90	0.00	371124.44	731521.88	N 32 1 5.29	W 103 35 10.82
	12000.00	89.50	179.57	10842.03	512.68	-508.57	549.66	0.00	371024.45	731522.64	N 32 1 4.30	W 103 35 10.82
	12100.00	89.50	179.57	10842.90	612.68	-608.56	550.42	0.00	370924.46	731523.40	N 32 1 3.31	W 103 35 10.82
	12200.00	89.50	179.57	10843.77	712.67	-708.56	551.18	0.00	370824.47	731524.16	N 32 1 2.32	W 103 35 10.81
	12300.00	89.50	179.57	10844.65	812.67	-808.55	551.93	0.00	370724.48	731524.92	N 32 1 1.33	W 103 35 10.81
	12400.00	89.50	179.57	10845.52	912.67	-908.54	552.69	0.00	370624.49	731525.68	N 32 1 0.34	W 103 35 10.81
	12500.00	89.50	179.57	10846.39	1012.66	-1008.54	553.45	0.00	370524.49	731526.43	N 32 0 59.35	W 103 35 10.81
	12600.00	89.50	179.57	10847.26	1112.66	-1108.53	554.21	0.00	370424.50	731527.19	N 32 0 58.36	W 103 35 10.81
	12700.00	89.50	179.57	10848.14	1212.65	-1208.52	554.97	0.00	370324.51	731527.95	N 32 0 57.37	W 103 35 10.81
	12800.00	89.50	179.57	10849.01	1312.65	-1308.52	555.72	0.00	370224.52	731528.71	N 32 0 56.38	W 103 35 10.81
	12900.00	89.50	179.57	10849.88	1412.65	-1408.51	556.48	0.00	370124.53	731529.47	N 32 0 55.39	W 103 35 10.81
	13000.00	89.50	179.57	10850.75	1512.64	-1508.50	557.24	0.00	370024.54	731530.22	N 32 0 54.40	W 103 35 10.81
	13100.00	89.50	179.57	10851.63	1612.64	-1608.50	558.00	0.00	369924.55	731530.98	N 32 0 53.41	W 103 35 10.81
	13200.00	89.50	179.57	10852.50	1712.64	-1708.49	558.76	0.00	369824.56	731531.74	N 32 0 52.42	W 103 35 10.81
IFP1, Drop 2°/100ft	13275.57	89.50	179.57	10853.16	1788.20	-1784.06	559.33	0.00	369749.00	731532.31	N 32 0 51.68	W 103 35 10.81
	13300.00	89.01	179.57	10853.48	1812.63	-1808.48	559.52	2.00	369724.58	731532.50	N 32 0 51.43	W 103 35 10.81
Hold	13323.88	88.53	179.57	10853.99	1836.51	-1832.36	559.70	2.00	369700.70	731532.68	N 32 0 51.20	W 103 35 10.81
	13400.00	88.53	179.57	10855.94	1912.60	-1908.45	560.27	0.00	369624.61	731533.26	N 32 0 50.44	W 103 35 10.81
	13500.00	88.53	179.57	10858.50	2012.57	-2008.41	561.03	0.00	369524.65	731534.01	N 32 0 49.46	W 103 35 10.80
	13600.00	88.53	179.57	10861.05	2112.53	-2108.38	561.79	0.00	369424.69	731534.77	N 32 0 48.47	W 103 35 10.80
	13700.00	88.53	179.57	10863.61	2212.50	-2208.34	562.55	0.00	369324.73	731535.53	N 32 0 47.48	W 103 35 10.80
	13800.00	88.53	179.57	10866.17	2312.47	-2308.31	563.31	0.00	369224.77	731536.29	N 32 0 46.49	W 103 35 10.80
	13900.00	88.53	179.57	10868.73	2412.44	-2408.27	564.07	0.00	369124.81	731537.05	N 32 0 45.50	W 103 35 10.80
	14000.00	88.53	179.57	10871.29	2512.40	-2508.24	564.83	0.00	369024.84	731537.81	N 32 0 44.51	W 103 35 10.80
	14100.00	88.53	179.57	10873.85	2612.37	-2608.20	565.59	0.00	368924.88	731538.57	N 32 0 43.52	W 103 35 10.80
	14200.00	88.53	179.57	10876.41	2712.34	-2708.16	566.34	0.00	368824.92	731539.33	N 32 0 42.53	W 103 35 10.80
	14300.00	88.53	179.57	10878.97	2812.31	-2808.13	567.10	0.00	368724.96	731540.08	N 32 0 41.54	W 103 35 10.80
	14400.00	88.53	179.57	10881.53	2912.27	-2908.09	567.86	0.00	368625.00	731540.84	N 32 0 40.55	W 103 35 10.80
	14500.00	88.53	179.57	10884.09	3012.24	-3008.06	568.62	0.00	368525.04	731541.60	N 32 0 39.56	W 103 35 10.80
	14600.00	88.53	179.57	10886.64	3112.21	-3108.02	569.38	0.00	368425.08	731542.36	N 32 0 38.57	W 103 35 10.80
	14700.00	88.53	179.57	10889.20	3212.17	-3207.99	570.14	0.00	368325.12	731543.12	N 32 0 37.58	W 103 35 10.79
	14800.00	88.53	179.57	10891.76	3312.14	-3307.95	570.90	0.00	368225.15	731543.88	N 32 0 36.59	W 103 35 10.79
	14900.00	88.53	179.57	10894.32	3412.11	-3407.91	571.66	0.00	368125.19	731544.64	N 32 0 35.61	W 103 35 10.79
	15000.00	88.53	179.57	10896.88	3512.08	-3507.88	572.41	0.00	368025.23	731545.40	N 32 0 34.62	W 103 35 10.79
	15100.00	88.53	179.57	10899.44	3612.04	-3607.84	573.17	0.00	367925.27	731546.15	N 32 0 33.63	W 103 35 10.79
	15200.00	88.53	179.57	10902.00	3712.01	-3707.81	573.93	0.00	367825.31	731546.91	N 32 0 32.64	W 103 35 10.79
	15300.00	88.53	179.57	10904.56	3811.98	-3807.77	574.69	0.00	367725.35	731547.67	N 32 0 31.65	W 103 35 10.79
	15400.00	88.53	179.57	10907.12	3911.95	-3907.74	575.45	0.00	367625.39	731548.43	N 32 0 30.66	W 103 35 10.79
	15500.00	88.53	179.57	10909.67	4011.91	-4007.70	576.21	0.00	367525.43	731549.19	N 32 0 29.67	W 103 35 10.79
	15600.00	88.53	179.57	10912.23	4111.88	-4107.67	576.97	0.00	367425.47	731549.95	N 32 0 28.68	W 103 35 10.79
	15700.00	88.53	179.57	10914.79	4211.85	-4207.63	577.72	0.00	367325.50	731550.71	N 32 0 27.69	W 103 35 10.79
	15800.00	88.53	179.57	10917.35	4311.81	-4307.59	578.48	0.00	367225.54	731551.47	N 32 0 26.70	W 103 35 10.79
IFP2, Build 2°/100ft	15824.55	88.53	179.57	10917.98	4336.36	-4332.14	578.67	0.00	367201.00	731551.65	N 32 0 26.46	W 103 35 10.79
Hold	15853.95	89.12	179.57	10918.58	4365.75	-4361.53	578.89	2.00	367171.61	731551.87	N 32 0 26.17	W 103 35 10.79
	15900.00	89.12	179.57	10919.29	4411.79	-4407.57	579.23	0.00	367125.57	731552.21	N 32 0 25.71	W 103 35 10.79
	16000.00	89.12	179.57	10920.82	4511.78	-4507.56	579.97	0.00	367025.59	731552.96	N 32 0 24.72	W 103 35 10.78
	16100.00	89.12	179.57	10922.35	4611.77	-4607.54	580.72	0.00	366925.60	731553.70	N 32 0 23.73	W 103 35 10.78
	16200.00	89.12	179.57	10923.89	4711.76	-4707.53	581.46	0.00	366825.62	731554.44	N 32 0 22.74	W 103 35 10.78
	16300.00	89.12	179.57	10925.42	4811.75	-4807.51	582.20	0.00	366725.64	731555.18	N 32 0 21.76	W 103 35 10.78

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 ° ' ")
	16400.00	89.12	179.57	10926.95	4911.74	-4907.50	582.94	0.00	366625.66	731555.93	N 32 0 20.77	W 103 35 10.78
	16500.00	89.12	179.57	10928.49	5011.72	-5007.48	583.69	0.00	366525.67	731556.67	N 32 0 19.78	W 103 35 10.78
	16600.00	89.12	179.57	10930.02	5111.71	-5107.47	584.43	0.00	366425.69	731557.41	N 32 0 18.79	W 103 35 10.78
	16700.00	89.12	179.57	10931.55	5211.70	-5207.46	585.17	0.00	366325.71	731558.15	N 32 0 17.80	W 103 35 10.78
	16800.00	89.12	179.57	10933.09	5311.69	-5307.44	585.91	0.00	366225.73	731558.89	N 32 0 16.81	W 103 35 10.78
	16900.00	89.12	179.57	10934.62	5411.68	-5407.43	586.65	0.00	366125.75	731559.64	N 32 0 15.82	W 103 35 10.78
	17000.00	89.12	179.57	10936.15	5511.67	-5507.41	587.40	0.00	366025.76	731560.38	N 32 0 14.83	W 103 35 10.78
	17100.00	89.12	179.57	10937.68	5611.65	-5607.40	588.14	0.00	365925.78	731561.12	N 32 0 13.84	W 103 35 10.78
	17200.00	89.12	179.57	10939.22	5711.64	-5707.38	588.88	0.00	365825.80	731561.86	N 32 0 12.85	W 103 35 10.78
	17300.00	89.12	179.57	10940.75	5811.63	-5807.37	589.62	0.00	365725.82	731562.61	N 32 0 11.86	W 103 35 10.78
	17400.00	89.12	179.57	10942.28	5911.62	-5907.35	590.37	0.00	365625.83	731563.35	N 32 0 10.87	W 103 35 10.78
	17500.00	89.12	179.57	10943.82	6011.61	-6007.34	591.11	0.00	365525.85	731564.09	N 32 0 9.88	W 103 35 10.78
	17600.00	89.12	179.57	10945.35	6111.59	-6107.32	591.85	0.00	365425.87	731564.83	N 32 0 8.89	W 103 35 10.78
	17700.00	89.12	179.57	10946.88	6211.58	-6207.31	592.59	0.00	365325.89	731565.57	N 32 0 7.90	W 103 35 10.77
	17800.00	89.12	179.57	10948.42	6311.57	-6307.30	593.34	0.00	365225.90	731566.32	N 32 0 6.91	W 103 35 10.77
	17900.00	89.12	179.57	10949.95	6411.56	-6407.28	594.08	0.00	365125.92	731567.06	N 32 0 5.92	W 103 35 10.77
	18000.00	89.12	179.57	10951.48	6511.55	-6507.27	594.82	0.00	365025.94	731567.80	N 32 0 4.93	W 103 35 10.77
	18100.00	89.12	179.57	10953.02	6611.54	-6607.25	595.56	0.00	364925.96	731568.54	N 32 0 3.94	W 103 35 10.77
	18200.00	89.12	179.57	10954.55	6711.52	-6707.24	596.30	0.00	364825.98	731569.29	N 32 0 2.96	W 103 35 10.77
	18300.00	89.12	179.57	10956.08	6811.51	-6807.22	597.05	0.00	364725.99	731570.03	N 32 0 1.97	W 103 35 10.77
LTP Cross	*18355.98*	*89.12*	*179.57*	*10956.94*	*6867.49*	*-6863.20*	*597.46*	*0.00*	*364670.02*	*731570.44*	*N 32 0 1.41*	*W 103 35 10.77*
	18400.00	89.12	179.57	10957.61	6911.50	-6907.21	597.79	0.00	364626.01	731570.77	N 32 0 0.98	W 103 35 10.77
SD 29 32 Fed Com P364 426H - BHL	18431.02	89.12	179.57	10958.09	6942.51	-6938.22	598.02	0.00	364595.00	731571.00	N 32 0 0.67	W 103 35 10.77

Survey Type: Def Plan

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

Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Expected Max Inclination (deg)	Survey Tool Type	Borehole / Survey
	1	0.000	30.000	1/100.000	17.500	13.375		B001Mb_MWD+HRGM-Depth Only	SD 29 32 Fed Com P364 426H / SD 29 32 Fed Com P364 426H R0 mdv 23Feb21
	1	30.000	800.000	1/100.000	17.500	13.375		B001Mb_MWD+HRGM	SD 29 32 Fed Com P364 426H / SD 29 32 Fed Com P364 426H R0
	1	800.000	4762.017	1/100.000	12.250	9.625		B001Mb_MWD+HRGM	SD 29 32 Fed Com P364 426H / SD 29 32 Fed Com P364 426H R0
	1	4762.017	9987.321	1/100.000	8.750	7.000		B001Mb_MWD+HRGM	SD 29 32 Fed Com P364 426H / SD 29 32 Fed Com P364 426H R0
	1	9987.321	18431.016	1/100.000	6.125	4.500		B001Mb_MWD+HRGM	SD 29 32 Fed Com P364 426H / SD 29 32 Fed Com P364 426H R0

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Chevron USA Incorporated
LEASE NO.:	NMNM
LOCATION:	Section 29, T.26 S., R.33 E., NMPM
COUNTY:	Lea County, New Mexico

WELL NAME & NO.:	SD 29 32 FED COM P364 424H
SURFACE HOLE FOOTAGE:	861'/N & 925'/E
BOTTOM HOLE FOOTAGE	25'/S & 2090'/E

WELL NAME & NO.:	SD 29 32 FED COM P364 425H
SURFACE HOLE FOOTAGE:	861'/N & 900'/E
BOTTOM HOLE FOOTAGE	25'/S & 2090'/E

WELL NAME & NO.:	SD 29 32 FED COM P364 426H
SURFACE HOLE FOOTAGE:	861'/N & 875'/E
BOTTOM HOLE FOOTAGE	25'/S & 330'/E

COA

H2S	(•) Yes	( ) No	
Potash	(•) None	( ) Secretary	( ) R-111-P
Cave/Karst Potential	( ) Low	(•) Medium	( ) High
Cave/Karst Potential	( ) Critical		
Variance	( ) None	(•) Flex Hose	( ) Other
Wellhead	( ) Conventional	( ) Multibowl	(•) Both
Other	[ ] 4 String Area	[ ] Capitan Reef	[ ] WIPP
Other	[ ] Fluid Filled	[ ] Cement Squeeze	[ ] Pilot Hole
Special Requirements	[ ] Water Disposal	[x] COM	[ ] Unit

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated **500** feet prior to drilling into the **Delaware Group** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 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

Casing Design:

Approval Date: 04/27/2022

1. The **13-3/8** inch surface casing shall be set at approximately **880** feet (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.

    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.

2. The **9-5/8** inch intermediate casing shall be set at approximately **4884** feet. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

    Option 1 (Single Stage):

    - 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.**

    Option 2:

    Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

    a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

    b. Second stage above DV tool:

    - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
      Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

- ❖ In **Medium Cave/Karst Areas** if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

3. The minimum required fill of cement behind the **7** inch 2nd intermediate casing is:

Option 1 (Single Stage):

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

b. Second stage above DV tool:

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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.

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).'

2.

Option 1:

a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.

b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the 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.
    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.
- 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.

BOPE Break Testing Variance

- BOPE Break Testing is ONLY permitted for 5M BOPE or less.
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- 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 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.
- The BLM is to be contacted **(575-393-3612 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.

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
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

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 Onshore Oil and Gas Order No. 2 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.

Approval Date: 04/27/2022

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.

Approval Date: 04/27/2022

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

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 when specified), 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 plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 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 Onshore Order No. 2.

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

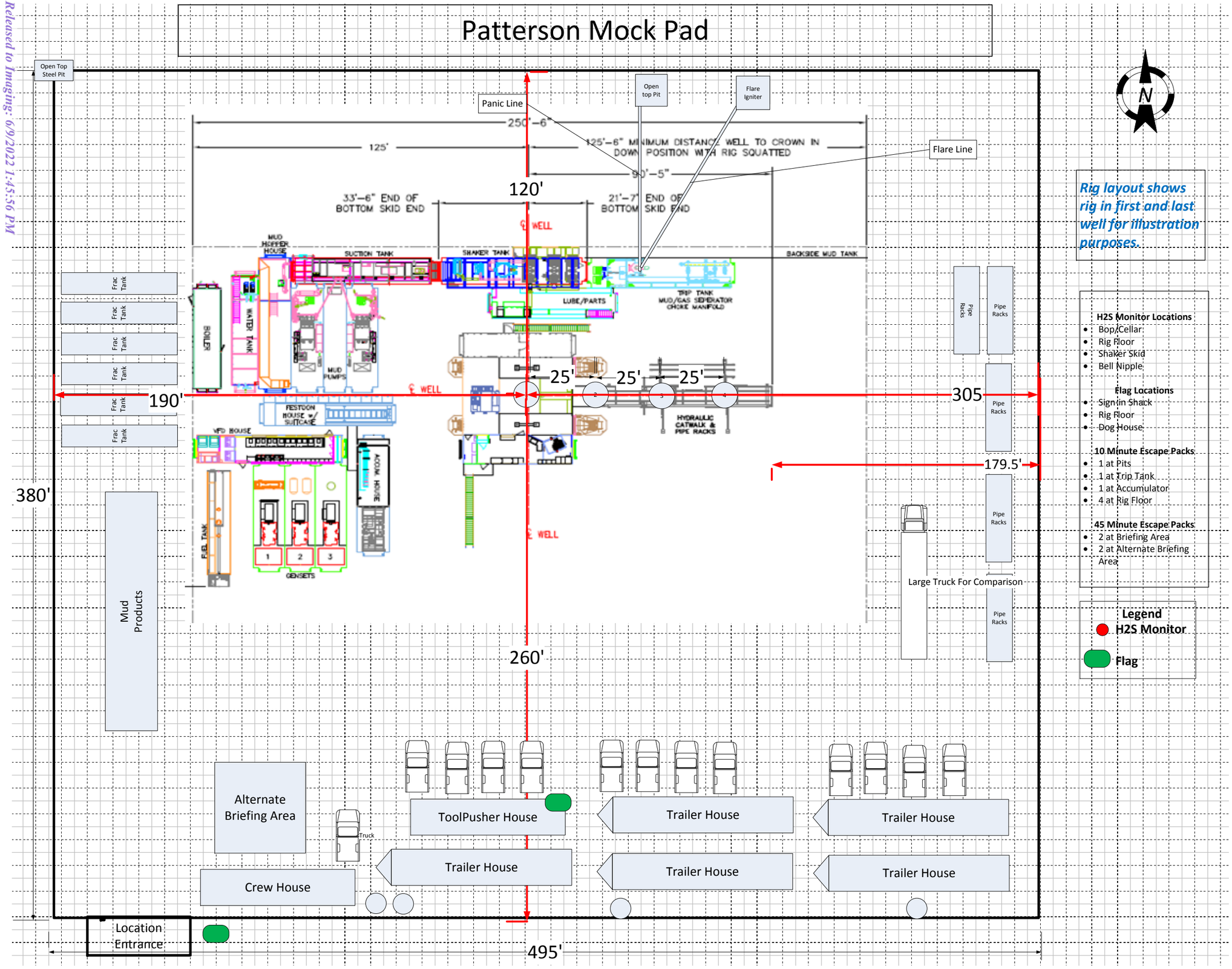
All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

NMK2-15-2022

Approval Date: 04/27/2022

Patterson Mock Pad



Rig layout shows rig in first and last well for illustration purposes.

H2S Monitor Locations
- Bop/Cellar
- Rig Floor
- Shaker Skid
- Bell Nipple

Flag Locations
- Sign-in Shack
- Rig Floor
- Dog House

10 Minute Escape Packs
- 1 at Pits
- 1 at Trip Tank
- 1 at Accumulator
- 4 at Rig Floor

45 Minute Escape Packs
- 2 at Briefing Area
- 2 at Alternate Briefing Area

Legend
- **H2S Monitor**
- **Flag**

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

Drilling Plan Data Report
05/02/2022

APD ID: 10400070403
Submission Date: 03/09/2021
Operator Name: CHEVRON USA INCORPORATED
Well Name: SD 29 32 FED COM P364
Well Number: 426H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
1642687	RUSTLER	3226	749	749	DOLOMITE	NONE	N
1642688	CASTILE	133	3093	3146	ANHYDRITE	NONE	N
1642689	LAMAR	-1658	4884	5044	SANDSTONE	NONE	N
1642690	DELAWARE	-1690	4916	5076	SANDSTONE	NONE	N
1642697	BONE SPRING LIME	-5865	9091	9251	LIMESTONE	NONE	N
1642692	AVALON SAND	-5892	9118	9278	LIMESTONE, SHALE	NATURAL GAS, OIL	Y
1642698	BONE SPRING 1ST	-6764	9990	10150	LIMESTONE, SHALE	NATURAL GAS, OIL	N
7679019	BONE SPRING 2ND	-7386	10612	18431	LIMESTONE, SHALE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M
Rating Depth: 10958

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.
Requesting Variance? YES

Variance request: 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 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: 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

BLOWOUT PREVENTER SCHEMATIC

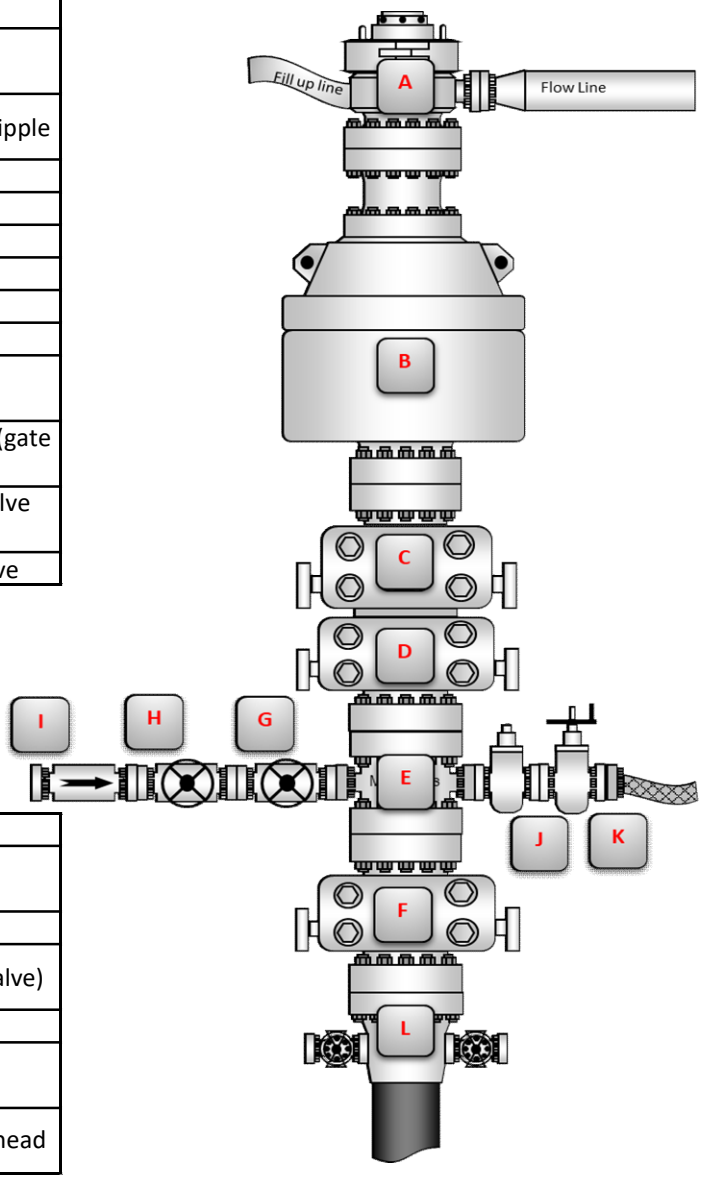
Operation:	Intermediate & Production Drilling Operations
Minimum System operation pressure	5,000 psi

BOP Stack

Part	Size	Pressure Rating	Description
A	13-5/8"	N/A	Rotating Head/Bell nipple
B	13-5/8"	5,000	Annular
C	13-5/8"	10,000	Blind Ram
D	13-5/8"	10,000	Pipe Ram
E	13-5/8"	10,000	Mud Cross
F	13-5/8"	10,000	Pipe Ram

Kill Line

Part	Size	Pressure Rating	Description
G	2"	10,000	Inside Kill Line Valve (gate valve)
H	2"	10,000	Outside Kill Line Valve (gate valve)
I	2"	10,000	Kill Line Check valve



Choke line

Part	Size	Pressure Rating	Description
J	3"	10,000	HCR (gate valve)
K	3"	10,000	Manual HCR (gate valve)

Wellhead

Part	Size	Pressure Rating	Description
L	13-5/8"	5,000	FMC Multibowl wellhead

BOP Installation Checklist: *The following items must be verified and checked off prior to pressure testing BOP equipment*
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.

District I
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
District IV
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 107009

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 107009
	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	6/9/2022
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	6/9/2022
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	6/9/2022
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	6/9/2022