

**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**

Form C-101  
August 1, 2011

Permit 323426

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|                                                                                               |                                                  |                               |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>CHEVRON U S A INC<br>6301 Deauville Blvd<br>Midland, TX 79706 |                                                  | 2. OGRID Number<br>4323       |
|                                                                                               |                                                  | 3. API Number<br>30-015-49955 |
| 4. Property Code<br>333159                                                                    | 5. Property Name<br>JIM BEAM 25 36 STATE COM P43 | 6. Well No.<br>001H           |

**7. Surface Location**

|               |               |                 |              |         |                  |               |                   |               |                |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>O | Section<br>24 | Township<br>26S | Range<br>27E | Lot Idn | Feet From<br>787 | N/S Line<br>S | Feet From<br>2025 | E/W Line<br>E | County<br>Eddy |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                 |               |                   |               |                |
|---------------|---------------|-----------------|--------------|--------------|-----------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>L | Section<br>36 | Township<br>26S | Range<br>27E | Lot Idn<br>L | Feet From<br>50 | N/S Line<br>S | Feet From<br>2310 | E/W Line<br>E | County<br>Eddy |
|---------------|---------------|-----------------|--------------|--------------|-----------------|---------------|-------------------|---------------|----------------|

**9. Pool Information**

|                            |       |
|----------------------------|-------|
| PURPLE SAGE;WOLFCAMP (GAS) | 98220 |
|----------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>GAS        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3082 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>16710 | 18. Formation<br>Wolfcamp              | 19. Contractor          | 20. Spud Date<br>12/8/2022         |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

☐ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 54.5             | 450           | 233             | 0             |
| Int1 | 12.25     | 9.675       | 40               | 2180          | 354             | 0             |
| Int2 | 8.75      | 7           | 29               | 8430          | 531             | 1980          |
| Prod | 6.125     | 5           | 18               | 9190          | 559             | 8280          |
| Prod | 6.125     | 4.5         | 11.6             | 16710         | 559             | 8280          |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**22. Proposed Blowout Prevention Program**

| Type    | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 5000             | 3500          | TBD          |

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.  
I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.

Signature:

Printed Name: Electronically filed by Cindy Herrera-Murillo

Title: Sr. HES Regulatory Affairs Coordinator

Email Address: eeof@chevron.com

Date: 9/6/2022

Phone: 575-263-0431

**OIL CONSERVATION DIVISION**

Approved By: Katherine Pickford

Title: Geoscientist

Approved Date: 9/7/2022

Expiration Date: 9/7/2024

Conditions of Approval Attached

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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

|                                                |                                                            |                                                      |
|------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|
| <sup>1</sup> API Number<br><b>30-015-49955</b> | <sup>2</sup> Pool Code<br>98220                            | <sup>3</sup> Pool Name<br>PURPLE SAGE WOLFCAMP (GAS) |
| <sup>4</sup> Property Code<br><b>333159</b>    | <sup>5</sup> Property Name<br>JIM BEAM 25 36 STATE COM P43 | <sup>6</sup> Well Number<br>1H                       |
| <sup>7</sup> OGRID No.<br>4323                 | <sup>8</sup> Operator Name<br>CHEVRON U.S.A. INC.          | <sup>9</sup> Elevation<br>3082'                      |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range             | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| O             | 24      | 26 SOUTH | 27 EAST, N.M.P.M. |         | 787'          | SOUTH            | 2025'         | EAST           | EDDY   |

<sup>11</sup> 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| L2            | 36      | 26 SOUTH | 27 EAST, N.M.P.M. |         | 50'           | SOUTH            | 2310'         | EAST           | EDDY   |

|                                         |                                         |                                  |                         |
|-----------------------------------------|-----------------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>448.09 | <sup>13</sup> Joint or Infill<br>INFILL | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|-----------------------------------------|-----------------------------------------|----------------------------------|-------------------------|

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.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><sup>16</sup></p> <p><b>JIM BEAM 25 36 STATE COM P43 NO. 1H WELL</b><br/>X = 559,545' (NAD27 NM E)<br/>Y = 371,965'<br/>LAT. 32.022499° N (NAD27)<br/>LONG. 104.141203° W<br/>X = 600,729' (NAD83/86 NM E)<br/>Y = 372,022'<br/>LAT. 32.022622° N (NAD83/86)<br/>LONG. 104.141692° W<br/>ELEV. 3082' (NAVD88)</p> <p><b>PROPOSED FIRST TAKE POINT</b><br/>X = 559,263' (NAD27 NM E)<br/>Y = 370,848'<br/>LAT. 32.019430° N (NAD27)<br/>LONG. 104.142118° W<br/>X = 600,448' (NAD83/86 NM E)<br/>Y = 370,905'<br/>LAT. 32.019554° N (NAD83/86)<br/>LONG. 104.142608° W</p> <p><b>PROPOSED MID POINT @ SECTION LINE</b><br/>X = 559,279' (NAD27 NM E)<br/>Y = 365,860'<br/>LAT. 32.005719° N (NAD27)<br/>LONG. 104.142096° W<br/>X = 600,464' (NAD83/86 NM E)<br/>Y = 365,917'<br/>LAT. 32.005843° N (NAD83/86)<br/>LONG. 104.142585° W</p> <p><b>PROPOSED LAST TAKE POINT</b><br/>X = 559,284' (NAD27 NM E)<br/>Y = 364,059'<br/>LAT. 32.000768° N (NAD27)<br/>LONG. 104.142091° W<br/>X = 600,468' (NAD83/86 NM E)<br/>Y = 364,116'<br/>LAT. 32.000891° N (NAD83/86)<br/>LONG. 104.142580° W</p> <p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y = 372506.31, X = 558918.86<br/>B - Y = 372507.02, X = 560243.35<br/>C - Y = 371177.56, X = 558924.06<br/>D - Y = 371178.23, X = 560248.11<br/>E - Y = 371178.91, X = 561572.15<br/>F - Y = 368518.10, X = 558930.93<br/>G - Y = 368518.47, X = 560255.63<br/>H - Y = 368518.83, X = 561580.33<br/>I - Y = 365860.47, X = 558937.80<br/>J - Y = 365859.78, X = 560263.40<br/>K - Y = 365859.10, X = 561589.00<br/>L - Y = 363728.90, X = 558942.70<br/>M - Y = 363729.87, X = 560268.62<br/>N - Y = 363730.84, X = 561594.55</p> <p><b>PROPOSED BOTTOM HOLE LOCATION</b><br/>X = 559,284' (NAD27 NM E)<br/>Y = 363,779'<br/>LAT. 31.999998° N (NAD27)<br/>LONG. 104.142090° W<br/>X = 600,469' (NAD83/86 NM E)<br/>Y = 363,836'<br/>LAT. 32.000122° N (NAD83/86)<br/>LONG. 104.142579° W</p> |  | <p><b><sup>17</sup> OPERATOR CERTIFICATION</b><br/>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.</p> <p><i>Carol Adler</i> 8/3/2022<br/>Signature Date</p> <p>Carol Adler<br/>Printed Name</p> <p>caroladler@chevron.com<br/>E-mail Address</p> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b><br/>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.</p> <p>06/27/22<br/>Date of Survey</p> <p><i>Robert L. Lastrapes</i><br/>Signature and Seal of Professional Surveyor</p> <p>23006 06/29/2022<br/>Professional Surveyor</p> <p>Certificate Number</p> |
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form APD Comments

Permit 323426

PERMIT COMMENTS

|                                                                                                    |  |                                             |
|----------------------------------------------------------------------------------------------------|--|---------------------------------------------|
| Operator Name and Address:<br>CHEVRON U S A INC [4323]<br>6301 Deauville Blvd<br>Midland, TX 79706 |  | API Number:<br>30-015-49955                 |
|                                                                                                    |  | Well:<br>JIM BEAM 25 36 STATE COM P43 #001H |

|            |                                                                                                                                                                          |              |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Created By | Comment                                                                                                                                                                  | Comment Date |
| kpickford  | The NGMP is incomplete. Required supplemental information noted under section 1, VI, VII, & VIII is missing. Unable to obtain this from the operator after two attempts. | 8/19/2022    |

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

Form APD Conditions

Permit 323426

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                    |                                             |
|----------------------------------------------------------------------------------------------------|---------------------------------------------|
| Operator Name and Address:<br>CHEVRON U S A INC [4323]<br>6301 Deauville Blvd<br>Midland, TX 79706 | API Number:<br>30-015-49955                 |
|                                                                                                    | Well:<br>JIM BEAM 25 36 STATE COM P43 #001H |

| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| kpickford       | Since the operator chose not to use closed loop, a pit permit is required.                                                                                                                                                                                           |
| kpickford       | Notify OCD 24 hours prior to casing & cement                                                                                                                                                                                                                         |
| kpickford       | Will require a File As Drilled C-102 and a Directional Survey with the C-104                                                                                                                                                                                         |
| kpickford       | The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud                                                                                                                                                                   |
| kpickford       | 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 |
| kpickford       | Cement is required to circulate on both surface and intermediate1 strings of casing                                                                                                                                                                                  |
| kpickford       | 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                  |





| Comments                                      | MD<br>(ft) | Incl<br>(°) | Azim Grid<br>(°) | TVD<br>(ft) | VSEC<br>(ft) | NS<br>(ft) | EW<br>(ft) | DLS<br>(°/100ft) | Northing<br>(ftUS) | Easting<br>(ftUS) | Latitude<br>(N/S ° ' ")     | Longitude<br>(E/W ° ' ") |
|-----------------------------------------------|------------|-------------|------------------|-------------|--------------|------------|------------|------------------|--------------------|-------------------|-----------------------------|--------------------------|
|                                               | 14400.00   | 90.24       | 179.82           | 9250.95     | 5876.02      | -5876.84   | -266.76    | 0.00             | 366088.68          | 559278.27         | N 32 0 22.85 W 104 8 31.55  |                          |
|                                               | 14500.00   | 90.24       | 179.82           | 9250.53     | 5976.02      | -5976.84   | -266.44    | 0.00             | 365988.69          | 559278.59         | N 32 0 21.86 W 104 8 31.55  |                          |
|                                               | 14600.00   | 90.24       | 179.82           | 9250.12     | 6076.02      | -6076.84   | -266.12    | 0.00             | 365888.70          | 559278.91         | N 32 0 20.87 W 104 8 31.55  |                          |
| MP, Turn                                      | 14628.71   | 90.24       | 179.82           | 9250.00     | 6104.73      | -6105.54   | -266.02    | 0.00             | 365860.00          | 559279.00         | N 32 0 20.59 W 104 8 31.54  |                          |
| Hold                                          | 14631.00   | 90.24       | 179.86           | 9249.99     | 6107.02      | -6107.84   | -266.02    | 2.00             | 365857.70          | 559279.01         | N 32 0 20.56 W 104 8 31.54  |                          |
|                                               | 14700.00   | 90.24       | 179.86           | 9249.71     | 6176.02      | -6176.83   | -265.85    | 0.00             | 365788.71          | 559279.17         | N 32 0 19.88 W 104 8 31.54  |                          |
|                                               | 14800.00   | 90.24       | 179.86           | 9249.29     | 6276.02      | -6276.83   | -265.61    | 0.00             | 365688.72          | 559279.41         | N 32 0 18.89 W 104 8 31.54  |                          |
|                                               | 14900.00   | 90.24       | 179.86           | 9248.88     | 6376.02      | -6376.83   | -265.37    | 0.00             | 365588.73          | 559279.65         | N 32 0 17.90 W 104 8 31.54  |                          |
|                                               | 15000.00   | 90.24       | 179.86           | 9248.47     | 6476.02      | -6476.83   | -265.13    | 0.00             | 365488.74          | 559279.89         | N 32 0 16.91 W 104 8 31.54  |                          |
|                                               | 15100.00   | 90.24       | 179.86           | 9248.05     | 6576.01      | -6576.83   | -264.89    | 0.00             | 365388.75          | 559280.13         | N 32 0 15.92 W 104 8 31.54  |                          |
|                                               | 15200.00   | 90.24       | 179.86           | 9247.64     | 6676.01      | -6676.83   | -264.65    | 0.00             | 365288.76          | 559280.37         | N 32 0 14.93 W 104 8 31.54  |                          |
|                                               | 15300.00   | 90.24       | 179.86           | 9247.23     | 6776.01      | -6776.83   | -264.41    | 0.00             | 365188.77          | 559280.61         | N 32 0 13.94 W 104 8 31.54  |                          |
|                                               | 15400.00   | 90.24       | 179.86           | 9246.81     | 6876.01      | -6876.83   | -264.17    | 0.00             | 365088.78          | 559280.85         | N 32 0 12.95 W 104 8 31.54  |                          |
|                                               | 15500.00   | 90.24       | 179.86           | 9246.40     | 6976.01      | -6976.83   | -263.93    | 0.00             | 364988.79          | 559281.09         | N 32 0 11.97 W 104 8 31.54  |                          |
|                                               | 15600.00   | 90.24       | 179.86           | 9245.99     | 7076.01      | -7076.82   | -263.69    | 0.00             | 364888.80          | 559281.33         | N 32 0 10.98 W 104 8 31.54  |                          |
|                                               | 15700.00   | 90.24       | 179.86           | 9245.57     | 7176.01      | -7176.82   | -263.45    | 0.00             | 364788.81          | 559281.57         | N 32 0 9.99 W 104 8 31.54   |                          |
|                                               | 15800.00   | 90.24       | 179.86           | 9245.16     | 7276.01      | -7276.82   | -263.21    | 0.00             | 364688.82          | 559281.81         | N 32 0 9.00 W 104 8 31.54   |                          |
|                                               | 15900.00   | 90.24       | 179.86           | 9244.75     | 7376.01      | -7376.82   | -262.97    | 0.00             | 364588.83          | 559282.05         | N 32 0 8.01 W 104 8 31.54   |                          |
|                                               | 16000.00   | 90.24       | 179.86           | 9244.33     | 7476.01      | -7476.82   | -262.73    | 0.00             | 364488.84          | 559282.29         | N 32 0 7.02 W 104 8 31.53   |                          |
|                                               | 16100.00   | 90.24       | 179.86           | 9243.92     | 7576.01      | -7576.82   | -262.49    | 0.00             | 364388.85          | 559282.53         | N 32 0 6.03 W 104 8 31.53   |                          |
|                                               | 16200.00   | 90.24       | 179.86           | 9243.51     | 7676.01      | -7676.82   | -262.25    | 0.00             | 364288.86          | 559282.78         | N 32 0 5.04 W 104 8 31.53   |                          |
|                                               | 16300.00   | 90.24       | 179.86           | 9243.09     | 7776.00      | -7776.82   | -262.01    | 0.00             | 364188.87          | 559283.02         | N 32 0 4.05 W 104 8 31.53   |                          |
|                                               | 16400.00   | 90.24       | 179.86           | 9242.68     | 7876.00      | -7876.81   | -261.77    | 0.00             | 364088.88          | 559283.26         | N 32 0 3.06 W 104 8 31.53   |                          |
| LTP Cross                                     | 16429.89   | 90.24       | 179.86           | 9242.56     | 7905.89      | -7906.70   | -261.70    | 0.00             | 364059.00          | 559283.33         | N 32 0 2.76 W 104 8 31.53   |                          |
|                                               | 16500.00   | 90.24       | 179.86           | 9242.27     | 7976.00      | -7976.81   | -261.53    | 0.00             | 363988.89          | 559283.50         | N 32 0 2.07 W 104 8 31.53   |                          |
|                                               | 16600.00   | 90.24       | 179.86           | 9241.85     | 8076.00      | -8076.81   | -261.29    | 0.00             | 363888.90          | 559283.74         | N 32 0 1.08 W 104 8 31.53   |                          |
|                                               | 16700.00   | 90.24       | 179.86           | 9241.44     | 8176.00      | -8176.81   | -261.05    | 0.00             | 363788.91          | 559283.98         | N 32 0 0.09 W 104 8 31.53   |                          |
| Jim Beam 25 36<br>State Com P43<br>NO. 1H BHL | 16709.92   | 90.24       | 179.86           | 9241.40     | 8185.92      | -8186.73   | -261.02    | 0.00             | 363779.00          | 559284.00         | N 31 59 59.99 W 104 8 31.53 |                          |

Survey Type: Def Plan

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

Survey Program:

| Description | Part | MD From<br>(ft) | MD To<br>(ft) | EOU Freq<br>(ft) | Hole Size<br>(in) | Casing Diameter<br>(in) | Expected Max<br>Inclination<br>(deg) | Survey Tool Type              | Borehole / Survey                                                                              |
|-------------|------|-----------------|---------------|------------------|-------------------|-------------------------|--------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------|
|             | 1    | 0.000           | 28.000        | 1/100.000        | 30.000            | 30.000                  |                                      | B001Mb_MWD+HRGM-Depth<br>Only | Jim Beam 25 36 State Com P43<br>No. 1H / Jim Beam 25 36 State<br>Com P43 No. 1H R0 mdv 14Jul22 |
|             | 1    | 28.000          | 16709.916     | 1/100.000        | 30.000            | 30.000                  |                                      | B001Mb_MWD+HRGM               | Jim Beam 25 36 State Com P43<br>No. 1H / Jim Beam 25 36 State                                  |



# H<sub>2</sub>S Preparedness and Contingency Plan Summary

## Training

MCBU Drilling and Completions H<sub>2</sub>S training requirements are intended to define the minimum level of training required for employees, contractors and visitors to enter or perform work at MCBU Drilling and Completions locations that have known concentrations of H<sub>2</sub>S.

### Awareness Level

Employees and visitors to MCBU Drilling and Completions locations that have known concentrations of H<sub>2</sub>S, who are not required to perform work in H<sub>2</sub>S areas, will be provided with an awareness level of H<sub>2</sub>S training prior to entering any H<sub>2</sub>S areas. At a minimum, awareness level training will include:

1. Physical and chemical properties of H<sub>2</sub>S
2. Health hazards of H<sub>2</sub>S
3. Personal protective equipment
4. Information regarding potential sources of H<sub>2</sub>S
5. Alarms and emergency evacuation procedures

Awareness level training will be developed and conducted by personnel who are qualified either by specific training, educational experience and/or work-related background.

### Advanced Level H<sub>2</sub>S Training

Employees and contractors required to work in areas that may contain H<sub>2</sub>S will be provided with Advanced Level H<sub>2</sub>S training prior to initial assignment. In addition to the Awareness Level requirements, Advanced Level H<sub>2</sub>S training will include:

1. H<sub>2</sub>S safe work practice procedures;
2. Emergency contingency plan procedures;
3. Methods to detect the presence or release of H<sub>2</sub>S (e.g., alarms, monitoring equipment), including hands-on training with direct reading and personal monitoring H<sub>2</sub>S equipment.
4. Basic overview of respiratory protective equipment suitable for use in H<sub>2</sub>S environments. Note: Employees who work at sites that participate in the Chevron Respirator User program will require separate respirator training as required by the MCBU Respiratory Protection Program;
5. Basic overview of emergency rescue techniques, first aid, CPR and medical evaluation procedures. Employees who may be required to perform "standby" duties are required to receive additional first aid and CPR training, which is not covered in the Advanced Level H<sub>2</sub>S training;
6. Proficiency examination covering all course material.

Advanced H<sub>2</sub>S training courses will be instructed by personnel who have successfully completed an appropriate H<sub>2</sub>S train-the-trainer development course (ANSI/ASSE Z390.1-2006) or who possess significant past experience through educational or work-related background.

# H<sub>2</sub>S Preparedness and Contingency Plan Summary

## H<sub>2</sub>S Training Certification

All employees and visitors will be issued an H<sub>2</sub>S training certification card (or certificate) upon successful completion of the appropriate H<sub>2</sub>S training course. Personnel working in an H<sub>2</sub>S environment will carry a current H<sub>2</sub>S training certification card as proof of having received the proper training on their person at all times.

## Briefing Area

A minimum of two briefing areas will be established in locations that at least one area will be upwind from the well at all times. Upon recognition of an emergency situation, all personnel should assemble at the designated upwind briefing areas for instructions.

## H<sub>2</sub>S Equipment

### Respiratory Protection

- a) Six 30 minute SCBAs – 2 at each briefing area and 2 in the Safety Trailer.
- b) Eight 5 minute EBAs – 5 in the dog house at the rig floor, 1 at the accumulator, 1 at the shale shakers and 1 at the mud pits.

### Visual Warning System

- a) One color code sign, displaying all possible conditions, will be placed at the entrance to the location with a flag displaying the current condition.
- b) Two windsocks will be on location, one on the dog house and one on the Drill Site Manager's Trailer.

## H<sub>2</sub>S Detection and Monitoring System

- a) H<sub>2</sub>S monitoring system (sensor head, warning light and siren) placed throughout rig.
  - Drilling Rig Locations: at a minimum, in the area of the Shale shaker, rig floor, and bell nipple.
  - Workover Rig Locations: at a minimum, in the area of the Cellar, rig floor and circulating tanks or shale shaker.



## H<sub>2</sub>S Preparedness and Contingency Plan Summary

### Well Control Equipment

- a) Flare Line 150' from wellhead with igniter.
- b) Choke manifold with a remotely operated choke.
- c) Mud / gas separator

### Mud Program

In the event of drilling, completions, workover and well servicing operations involving a hydrogen sulfide concentration of 100 ppm or greater the following shall be considered:

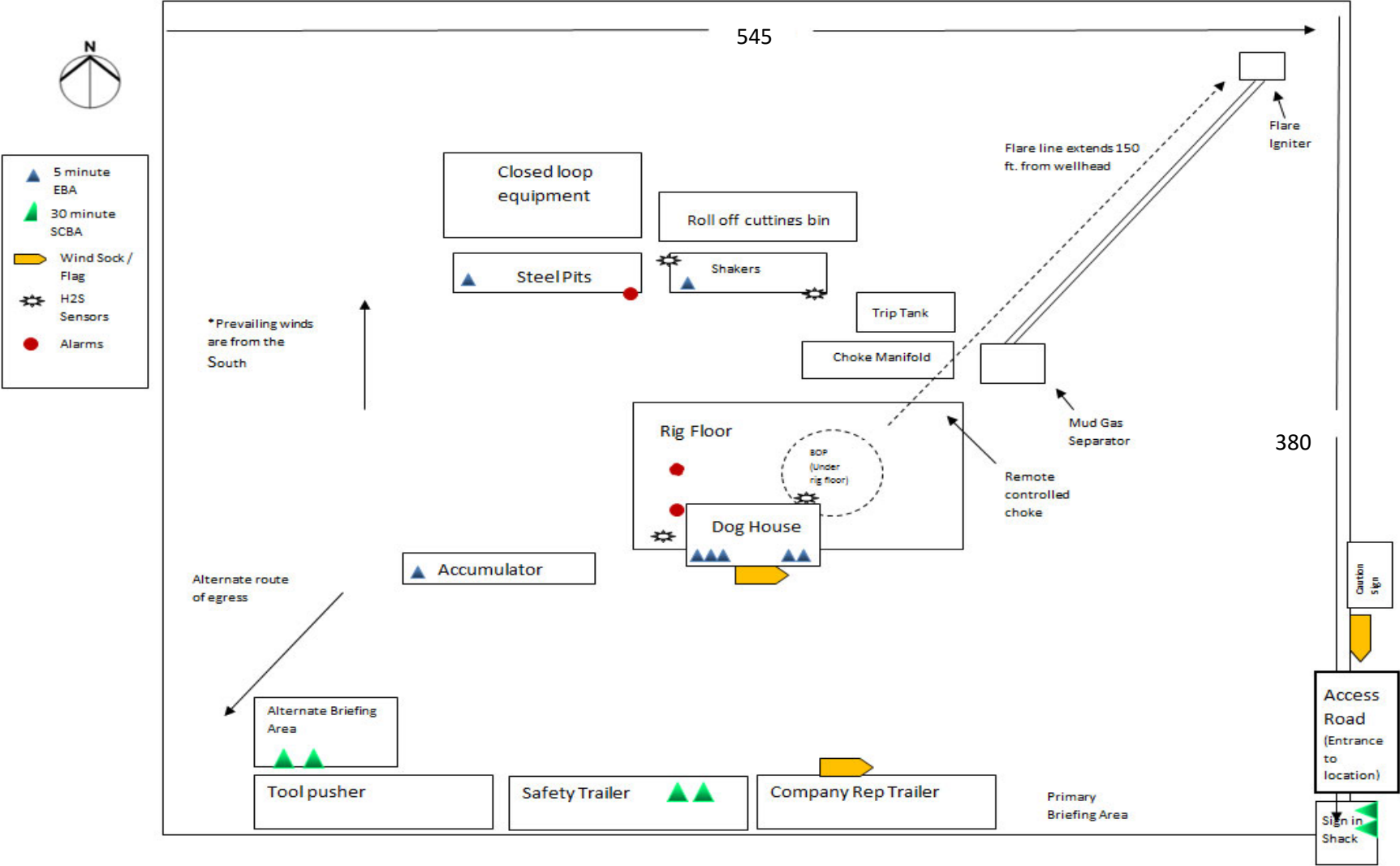
- 1. Use of a degasser
- 2. Use of a zinc based mud treatment
- 3. Increasing mud weight

### Public Safety - Emergency Assistance

| <u>Agency</u>                    | <u>Telephone Number</u> |
|----------------------------------|-------------------------|
| Eddy County Sheriff's Department | 575-887-7551            |
| Carlsbad Fire Department         | 575-885-3125            |
| Carlsbad Medical Center          | 575-887-4100            |
| Eddy County Emergency Management | 575-885-3581            |
| Poison Control Center            | 800-222-1222            |



H<sub>2</sub>S Preparedness and Contingency Plan Summary



State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit Electronically  
Via E-permitting

## 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:** 7 / 11 / 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 |
|------------------------------------|----------------|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| JIM BEAM 25 36<br>STATE COM P43 1H | <i>Pending</i> | UL:O, Sec 24,<br>T26S-R27E | 787'FSL, 2025'<br>FEL | 1230 BBL/D            | 3453 MCF/D            | 4225 BBL/D                       |
| JIM BEAM 25 36<br>STATE COM P43 2H | <i>Pending</i> | UL:O, Sec 24,<br>T26S-R27E | 787'FSL, 2000'<br>FEL | 1230 BBL/D            | 3453 MCF/D            | 4225 BBL/D                       |
| JIM BEAM 25 36<br>STATE COM P43 3H | <i>Pending</i> | UL:O, Sec 24,<br>T26S-R27E | 787'FSL, 1975'<br>FEL | 1230 BBL/D            | 3453 MCF/D            | 4225 BBL/D                       |
| JIM BEAM 25 36<br>STATE COM P43 4H | <i>Pending</i> | UL:O, Sec 24,<br>T26S-R27E | 787'FSL, 1950'<br>FEL | 1230 BBL/D            | 3453 MCF/D            | 4225 BBL/D                       |

**IV. Central Delivery Point Name:** Hayhurst NM CTB 25 [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 |
|------------------------------------|----------------|-----------|-----------------|------------------------------|------------------------|-----------------------|
| JIM BEAM 25 36<br>STATE COM P43 1H | <i>Pending</i> | June 2024 | N/A             | N/A                          | N/A                    | N/A                   |
| JIM BEAM 25 36<br>STATE COM P43 2H | <i>Pending</i> | June 2024 | N/A             | N/A                          | N/A                    | N/A                   |
| JIM BEAM 25 36<br>STATE COM P43 3H | <i>Pending</i> | June 2024 | N/A             | N/A                          | N/A                    | N/A                   |
| JIM BEAM 25 36<br>STATE COM P43 4H | <i>Pending</i> | June 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: <i>Carol Adler</i>                                                                    |
| Printed Name: Carol Adler                                                                        |
| Title: Sr. Regulatory Affairs Coordinator                                                        |
| E-mail Address: caroladler@chevron.com                                                           |
| Date: 8/3/2022                                                                                   |
| Phone: (432) 687-7148                                                                            |
| <b>OIL CONSERVATION DIVISION</b><br><b>(Only applicable when submitted as a standalone form)</b> |
| Approved By:                                                                                     |
| Title:                                                                                           |
| Approval Date:                                                                                   |
| Conditions of Approval:                                                                          |

| Input                                  |        |
|----------------------------------------|--------|
| Calculated                             |        |
|                                        |        |
| Cable/Rotary                           | Rotary |
| Proposed Depth                         | 16,710 |
| How many wells within 300'?            | No     |
| Any structures within 300'?            | No     |
| Depth to Ground water                  | N/A    |
| Distance from nearest fresh water well |        |
| Distance to nearest surface water      |        |
| Closed-loop in lieu of line pits?      | Yes    |
|                                        |        |
|                                        |        |

| BLOWOUT PREVENTION |                  |               |              |
|--------------------|------------------|---------------|--------------|
| BOP Type           | Working Pressure | Test Pressure | Manufacturer |
| Annular            | 5000 psi         | 3500 psi      | TBD          |
| Blind              | 10000 psi        | 6650 psi      | TBD          |
| Pipe               | 10000 psi        | 6650 psi      | TBD          |
| Pipe               | 10000 psi        | 6650 psi      | TBD          |



**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.