ATS-15-372

Form 3160-3
(August 2007)

Carlsbad Field Office
OCD Artesia

RECEIVED
OIL CONSERVATION
ARTESIA DISTRICT
MAY 19 2016

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM116027

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

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

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
HH NO 30 P1 FED #2H

2. Name of Operator CHEVRON USA INC

9. API Well No.
30015 43796

3a. Address 1616 WEST BENDER BLVD
HOBBS, NM 88240

3b. Phone No. *(include area code)*
575-263-0431

10. Field and Pool, or Exploratory
WILDCAT; BONE SPRING

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 175' FNL & 375' FWL
At proposed prod. zone 250' FNL & 400' FWL

11. Sec., T. R. M. or Blk.and Survey or Area
SEC 31 T24S, R27E, UL D (SHL)
SEC 30 T24S, R27E, UL D (BHL)

14. Distance in miles and direction from nearest town or post office*
From Malaga, Go S 11.2 mi Hwy 285. Turn W on CR724. Go 10.8 mi W to CR742. Go 8 mi N

12. County or Parish
EDDY

13. State
NM

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
175' FNL	624.8	160 ACRES

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
1800 FT FROM COLES 31 FED 1 - HNG OIL CO	TVD 7358 MD 12368	CA 0329

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
3397' GL	10/31/2015	1 to 2 Months

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

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 required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Cindy Herrera-Murillo	CINDY HERRERA-MURILLO	01/27/2015

Title
PERMITTING SPECIALIST

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
James A. Amos		MAY 16 2016

Title	Office
FIELD MANAGER	CARLSBAD FIELD 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.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

RECEIVED
BUREAU OF LAND MANAGEMENT

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

5/24/16

CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed this 27th **day of** January, **2015**

Name: _____

Danny Boone – Project Manager

Address: 1400 Smith Street

Houston, TX 77002

Room 40135

Office: 713-372-5390

E-mail: DBPR@CHEVRON.COM

Well-Site Evaluation Field Form

Operator: Chevron USA Inc **Fiscal Year:** 2015 **Onsite Type:** Pre NOS

Well Name: Hay Hurst NO 30 P1 FED 2H **Pre-NOS Date:** 10/31/2014

SHL: S: 31, T.24S., R.27E., QTR/QTR: SHL: 175 FNL & 375 FWL **NOS Received Date:**

BHL: S: 30, T.24S., R.27E., QTR/QTR: BHL: 250 FNL & 400 FWL **APD Received Date:**

Project Lead: Bell, John

Onsite Performed: 10/31/2014 **Onsite Issues?:** ☐ Yes ☐ No **SME Contacted?** ☐ Yes ☐ No **Agency:** BLM

Well Type: ☑ Oil ☐ Gas ☐ SWD ☐ Other: ☑ Horizontal ☐ Vertical

Operator Representative: Tom Watkins **Contact Number:**

BLM Onsite Representative:

Description of Topography (cut/fill):

Soils: ☑ Sandy ☐ Loamy ☐ Gypsum ☐ Rocky

Vegetation:

Cave/Karst: ☐ Critical ☐ High ☐ Medium ☑ Low

Hydrogeology (playas, floodplain, erosive soils, plant indicators): No Issue

Wildlife (LPC, SDL, Raptor Nest): ☐ LPC ☐ DSL ☐ Heronry ☐ Aplomado Falcon

Range Improvements (fences, etc.):

Pad Size: 395 x 330 **V-door Direction:** East

Reserve Pit?: ☐ Yes ☑ No

Topsoil Placement: ☐ East ☐ NE ☐ North ☐ NW ☐ SE ☐ South ☐ SW ☐ West

Cut/Fill Diagram Required?: ☑ Yes ☐ No

New access road needed?: ☑ Yes ☐ No

Where will the access road enter the well pad?: SW **Length of access road (ft):** 1

Will the access road be crown and ditched?: ☑ Yes ☐ No

How many turnouts needed?: **How many cattleguards needed?:**

Will a ROW be needed?: No **Will a culvert be needed?:** No

Will a low water crossing be needed?: No **Will any lead-off ditches be needed?:** No

Other info about the new road?: No

Two-track road need upgraded/reconstructed?: ☐ Yes ☑ No

Will an existing road be used to access the well? (excludes county or state roads): ☐ Yes ☑ No

Is a tank battery planned to be located on site?: ☐ Yes ☑ No

Is a pipeline planned to be installed for this well?: ☑ Yes ☐ No

What sides of the well pad will receive interim reclamation?: ☐ E ☑ NE ☑ N ☑ NW ☐ SE ☐ S ☐ SW ☐ W

Other relevant information:

3H SHL 175 FNL 400 FWL BHL SEC 30 250 FNL 400 FWL

Mitigation Measures/Stipulations:

Final Well Location: ☐ **Same as Proposed** ☐ **Different Location**

Chevron

DURING THE DRILLING OF THIS WELL, CHEVRON PROPOSES TO USE A CLOSED LOOP SYSTEM WITH A STEEL TANK AND HAUL TO THE REQUIRED DISPOSAL, PER THE OCD RULE 19.15.17.

PROCESSING FEE INFORMATION CALLED INTO IAN YOUNG AT BLM , ON 01-27-15

CHEVRON USA INC HAS AN AGREEMENT WITH CEHMM TO PROVIDE THE NEPA INFORMATION TO BLM.

PLEASE FIND THE FOLLOWING ATTACHMENTS:

APD FORM
PRIVATE SURFACE OWNER AGREEMENT (IF APPLICABLE)
C102 **(EXHIBIT -1)**
SUPPORTING MAPS **(EXHIBIT 2)**
MILE RADIUS MAP **(EXHIBIT 3)**
DRILLING PLAN
DIRECTIONAL PLAN AND PLOT
BOP SCHEMATIC
SUPPORTING BOP DOCUMENTS/TESTING
CHOKE MANIFOLD SCHEMATIC
BOPE TESTING
RIG LAYOUT/FACILITY PAD **(EXHIBIT 6)**
OTHER SCHEMATICS ENGINEER HAS REQUESTED IN PAST
H2S PLAN
INTERIM RECLAMATION PLAT (**EXHIBIT 7**)
SURFACE USE PLAN
SUPPORTING SUP MAPS
WELLHEAD SCHEMATIC
OIL AND GAS MEASUREMENT SCHEMATIC **(EXHIBIT 4&5)**
OPERATOR CERTIFICATION – SIGNED

ARCH SURVEY
ON SITE INSPECTION CONDUCTED ON 11/3/2014 BY JOHN BELL WITH BLM.

Exhibit 1

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
30 015 43796	96415	~~WILDCAT~~ Willow Lake; BONE SPRING W

[4] Property Code	[5] Property Name	[6] Well Number
316247	HH NO 30 P1 FED ~~eral~~	2H

[7] OGRID No.	[8] Operator Name	[9] Elevation
4323	CHEVRON U.S.A. INC.	3397'

[10] Surface Location

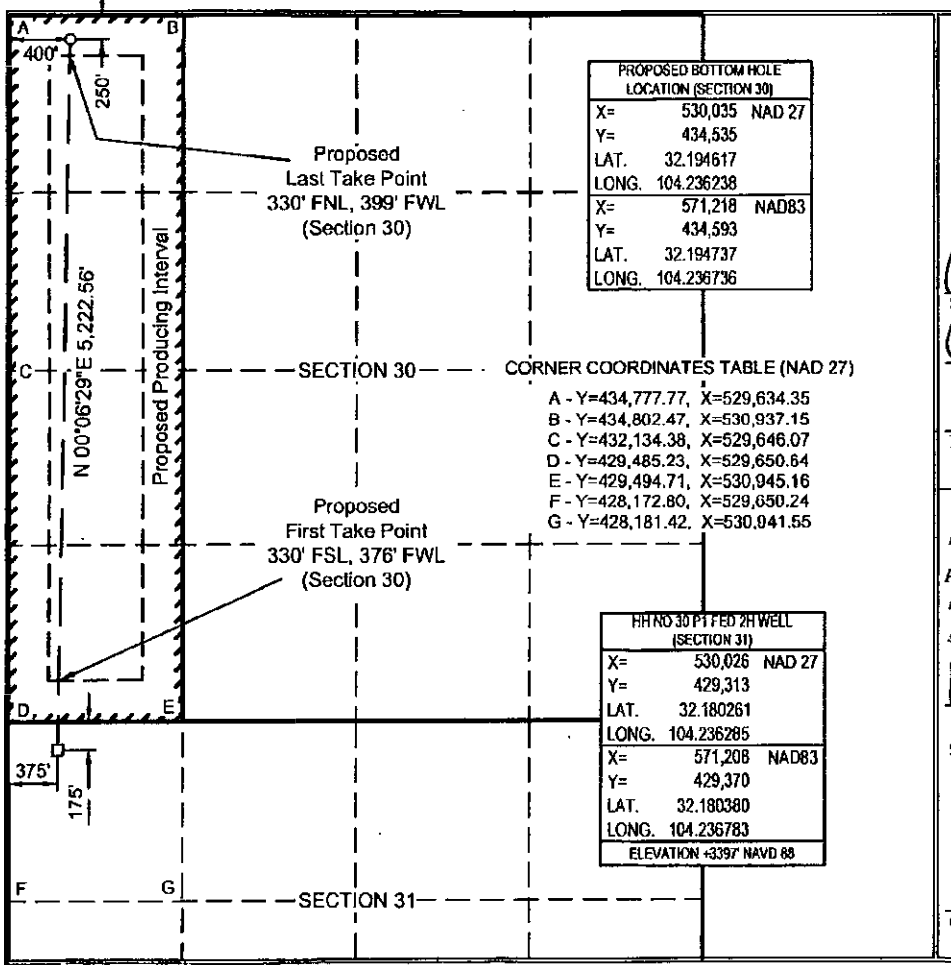
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	31	24 SOUTH	27 EAST, N.M.P.M.		175'	NORTH	375'	WEST	EDDY

[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
D	30	24 SOUTH	27 EAST, N.M.P.M.		250'	NORTH	400'	WEST	EDDY

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			

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.



[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 1-20-15
Signature Date

Cindy Herrera-Murillo
Printed Name

Cherreramurillo@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.

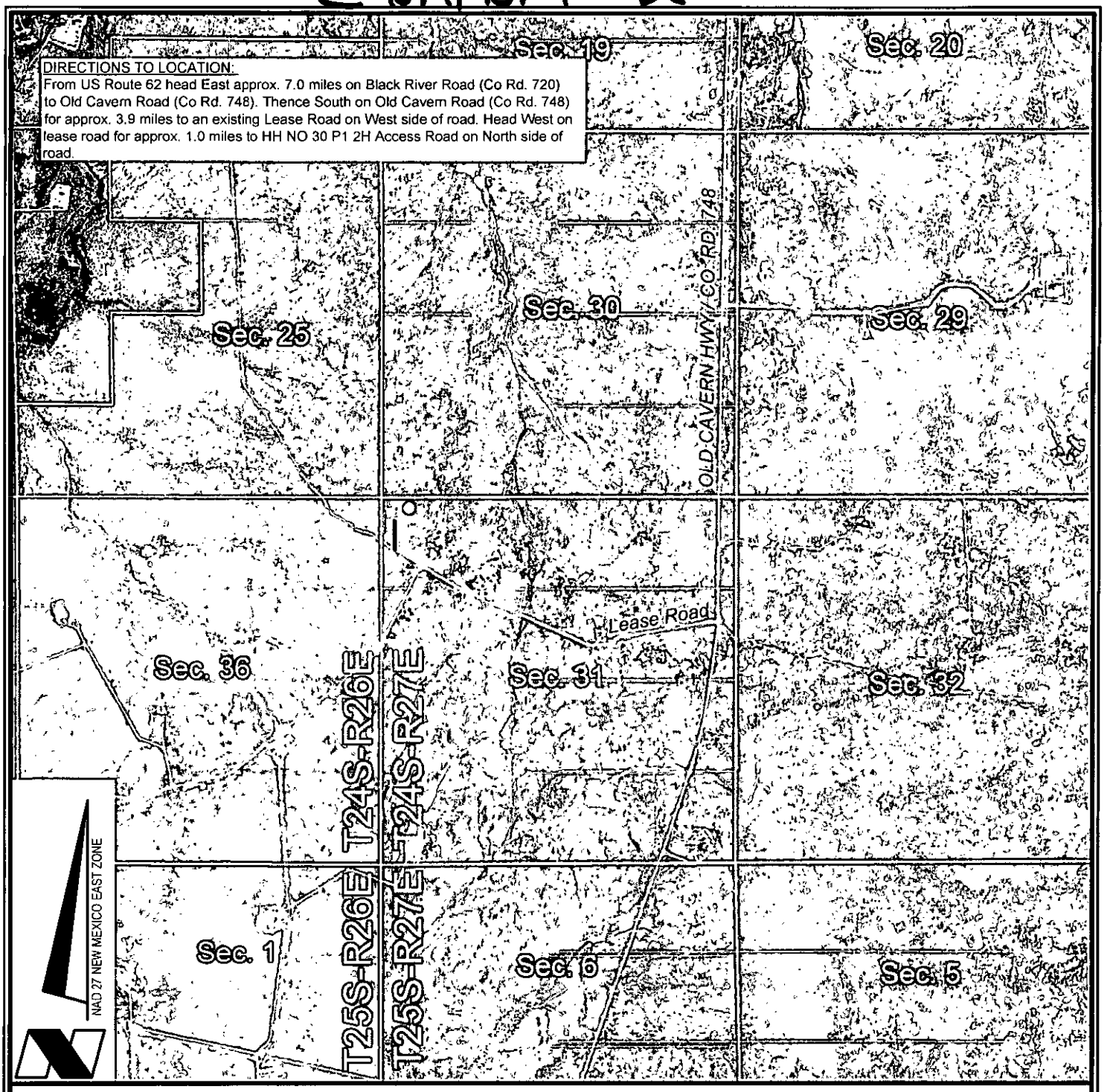
11.18.14
Date of Survey

Signature and Seal of Professional Surveyor:

WM. J. DANIEL III
NEW MEXICO
15078
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number #15078

Exhibit 2



VICINITY MAP

2000' 0 1000' 2000'
Scale: 1" = 2000'

= FEDERAL LAND
= FEE LAND
= STATE LAND

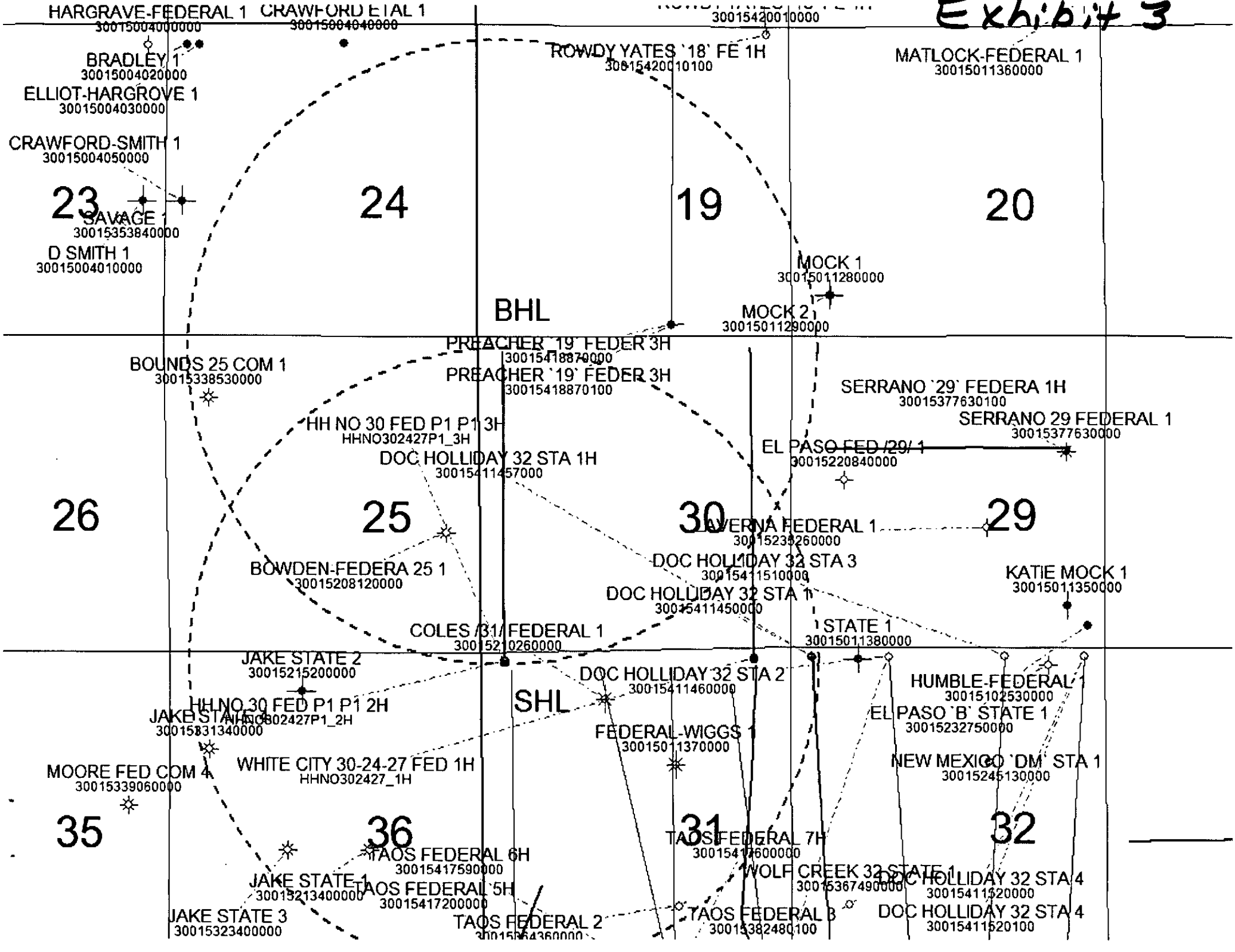
CHEVRON U.S.A. INC.

HH NO 30 P1 FED NO. 2H WELL
LOCATED 175' FNL AND 375' FWL
SECTION 31, T24S-R27E
EDDY COUNTY, NEW MEXICO

FENSTERMAKER
Lafayette New Orleans Houston
135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

DRAWN BY: GDG	REVISED:	DATE: 11/12/2014
PROJ. MGR.: GDG		SHEET 3 OF 3 SHEETS
FILENAME: T:\2014\2148331\DWG\HH NO 30 P1 FED 2H APD.dwg		

Exhibit 3


HARGRAVE-FEDERAL 1
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CRAWFORD ETAL 1
30015004040000
30015420010000
BRADLEY 1
30015004020000
ELLIOT-HARGROVE 1
30015004030000
ROWDY YATES '18' FE 1H
30015420010100
MATLOCK-FEDERAL 1
30015011360000
CRAWFORD-SMITH 1
30015004050000
23
24
19
20
SAVAGE 1
30015353840000
D SMITH 1
30015004010000
MOCK 1
30015011280000
BHL
MOCK 2
30015011290000
PREACHER '19' FEDER 3H
30015418870000
BOUNDS 25 COM 1
30015338530000
PREACHER '19' FEDER 3H
30015418870100
SERRANO '29' FEDERA 1H
30015377630100
SERRANO 29 FEDERAL 1
30015377630000
HH NO 30 FED P1 P1 3H
HHNO302427P1_3H
EL PASO FED /29/ 1
30015220840000
DOC HOLLIDAY 32 STA 1H
30015411457000
26
25
30
29
LAVERNA FEDERAL 1
30015235260000
DOC HOLLIDAY 32 STA 3
30015411510000
BOWDEN-FEDERA 25 1
30015208120000
KATIE MOCK 1
30015011350000
DOC HOLLIDAY 32 STA 1
30015411450000
STATE 1
30015011380000
COLES /31/ FEDERAL 1
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JAKE STATE 2
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DOC HOLLIDAY 32 STA 2
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HUMBLE-FEDERAL 1
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SHL
HH NO 30 FED P1 P1 2H
HHNO302427P1_2H
JAKE STATE 4
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EL PASO 'B' STATE 1
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FEDERAL-WIGGS 1
30015011370000
WHITE CITY 30-24-27 FED 1H
HHNO302427_1H
NEW MEXICO 'DM' STA 1
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MOORE FED COM 4
30015339060000
35
36
31
32
TAOS FEDERAL 7H
30015417600000
TAOS FEDERAL 6H
30015417590000
WOLF CREEK 32 STATE 1
30015367490000
DOC HOLLIDAY 32 STA 4
30015411520000
JAKE STATE 1
30015213400000
TAOS FEDERAL 5H
30015417200000
JAKE STATE 3
30015323400000
TAOS FEDERAL 2
TAOS FEDERAL 3
30015382480100
DOC HOLLIDAY 32 STA 4
30015411520100

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

FORMATION	SUB-SEA	KBTVD	MD
Rustler	0	0	
Castile	3040	388	
Lamar	1250	2178	
Bell Canyon	1180	2248	
Cherry Canyon	425	3003	
Brushy Canyon	-650	4078	
Bone Spring Limestone	-2284	5712	
1st Bone Spring	-3200	6628	
2nd Bone Spring	-3424	6852	
Lateral TD (2nd Bone Spring)	(3,967)	7,395	12368

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

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

Substance	Formation	Depth
Deepest Expected Base of Fresh Water		150
Water	Rustler	0
Water	Bell Canyon	2248
Water	Cherry Canyon	3003
Oil/Gas	Brushy Canyon	4078
Oil/Gas	Bone Spring Limestone	5712
Oil/Gas	1st Bone Spring	6628
Oil/Gas	2nd Bone Spring	6852

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

3. BOP EQUIPMENT

Will have a minimum of a 5000 psi rig stack (see proposed schematic) for drill out below surface casing. Stack will be tested as specified in the attached testing requirements. Chevron requests a variance to use A coflex hose with a metal protective covering that will be utilized between the BOP and Choke manifold. Please see the attached testing and certification information.

Chevron requests a variance to use a GE/Vetco SH-2 Multibowl wellhead, which will be run through the rig foor on surface casing. BOPE will be nippled up and test after cementing surface casing. Subsequent tests will be performed as needed, not to exceed 30 days. The field report from GE/Vetco 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.

4. **CASING PROGRAM**

a. The proposed casing program will be as follows:

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	500'	17-1/2"	13-3/8"	48 #	H-40	STC	New
Intermediate	0'	2140 ~~2,300'~~	12-1/4"	9-5/8"	40 #	HCK-55	LTC	New
Production	0'	12,368'	8-3/4"	5-1/2"	17.0 #	HCP-110	CDC	New

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

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

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

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

Surface Casing: 1500'
Intermediate Casing: 5300'
Production Casing: 16,500' MD/11,500' TVD (5000' VS @ 90 deg inc)

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension
Surface	1.28	1.14	1.6
Shallow Intermediate	1.28	1.25	1.6
Production	1.34	1.65	1.6

Min SF is the smallest of a group of safety factors that include the following considerations:

	Surf	Int	Prod
Burst Design			
Pressure Test- Surface, Int, Prod Csg P external: Water P internal: Test psi + next section heaviest mud in csg	X	X	X
Displace to Gas- Surf Csg P external: Water P internal: Dry Gas from Next Csg Point	X		
Frac at Shoe, Gas to Surf- Int Csg P external: Water P internal: Dry Gas, 15 ppg Frac Gradient		X	
Stimulation (Frac) Pressures- Prod Csg P external: Water P internal: Max inj pressure w/ heaviest injected fluid			X
Tubing leak- Prod Csg (packer at KOP) P external: Water P internal: Leak just below surf, 8.7 ppg packer fluid			X
Collapse Design			
Full Evacuation P external: Water gradient in cement, mud above TOC P internal: none	X	X	X
Cementing- Surf, Int, Prod Csg P external: Wet cement P internal: water	X	X	X
Tension Design			
100k lb overpull	X	X	X

5. **CEMENTING PROGRAM**

Slurry	Type	Top	Bottom	Weight	Yield	%Excess	Sacks	Water
Surface				(ppg)	(sx/cu ft)	Open Hole		gal/sk
Lead	C + 4% Gel+2%CaCl	0'	300'	13.5	1.78	125	228	9.18
Tail	Class C+2%CaCl	300'	500'	14.8	1.35	125	290	6.39
Intermediate								
Lead	65C/35Poz +6%Gel +5%Salt	0'	1,700'	13.7	1.68	100	560	9.72
Tail	Class C	1,700'	~~2,300'~~ 2160	14.8	1.33	100	311	6.24
Production								
1st Lead	50% Class H+ 50% Silicalite +2% Gel	1,800'	6,818'	11.3	2.54	100	950	15.07
2nd Lead	Versacem (Halliburton)	6,818'	11,330'	13.2	1.81	35	860	8.10
Tail	Acid Soluble Cement	11,330'	12,368'	15	2.63	0	100	11.2

1. Final cement volumes will be determined by caliper.
2. Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
3. Production casing will have one horizontal type centralizer on every joint for the first 1000' from TD, then every other joint to EOB, and then every third joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing.

6. **MUD PROGRAM**

From	To	Type	Weight	F. Vis	Filtrate
0'	500'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC
500'	~~2,300'~~ 2160	Brine	9.5 - 10.1	28 - 29	NC - NC
2160 ~~2,300'~~	6,818'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC
6,818'	7,722'	Cut Brine	8.3 - 9.5	28 - 30	15 - 25
7,722'	12,368'	FW/Cut Brine	8.3 - 9.5	28 - 29	15 - 25

A closed system will by utilized 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.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume. When abnormal pressures are anticipated -- a pit volume totalizer (PVT), stroke counter, and flow sensor will be used to detect volume changes indicating loss or gain of circulating fluid volume.

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

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

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

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

TYPE	Logs	Interval	Timing	Vendor
Mudlogs	2 man mudlog	Int Csg to TD	Drillout of Int Csg	TBD
LWD	MWD Gamma	Curve and Lateral	While Drilling	TBD
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

c. Conventional whole core samples are not planned.
d. A Directional Survey will be run.

8. **ABNORMAL PRESSURES AND HYDROGEN SULFIDE**

a. No abnormal pressures or temperatures are expected. Estimated BHP is: 3429 psi
b. Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered

Chevron USA, Inc.

HALLIBURTON
Sperry Drilling

Chevron

Project: Eddy County, NM
Site: Hayhurst North
Well: Hayhurst North 30 P1 Fed 2H
Wellbore: Wellbore #1
Design: Plan #1
Rig: Ensign 767

SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 3397.0' + KB 31.0' @ 3428.00usft (Ensign 767)

Northing	Easting	Latitude	Longitude
429313.00	530026.00	32° 10' 48.940 N	104° 14' 10.620 W

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Hayhurst North 30 P1 Fed 2H BHL	7358.54	5222.00	9.00	434535.00	530035.00	32° 11' 40.619 N	104° 14' 10.460 W
Hayhurst North 30 P1 Fed 2H LTP	7359.10	5142.30	8.78	434455.30	530034.78	32° 11' 39.831 N	104° 14' 10.464 W
Hayhurst North 30 P1 Fed 2H FTP	7391.47	504.99	0.07	429817.99	530026.07	32° 10' 53.938 N	104° 14' 10.614 W

SECTION DETAILS

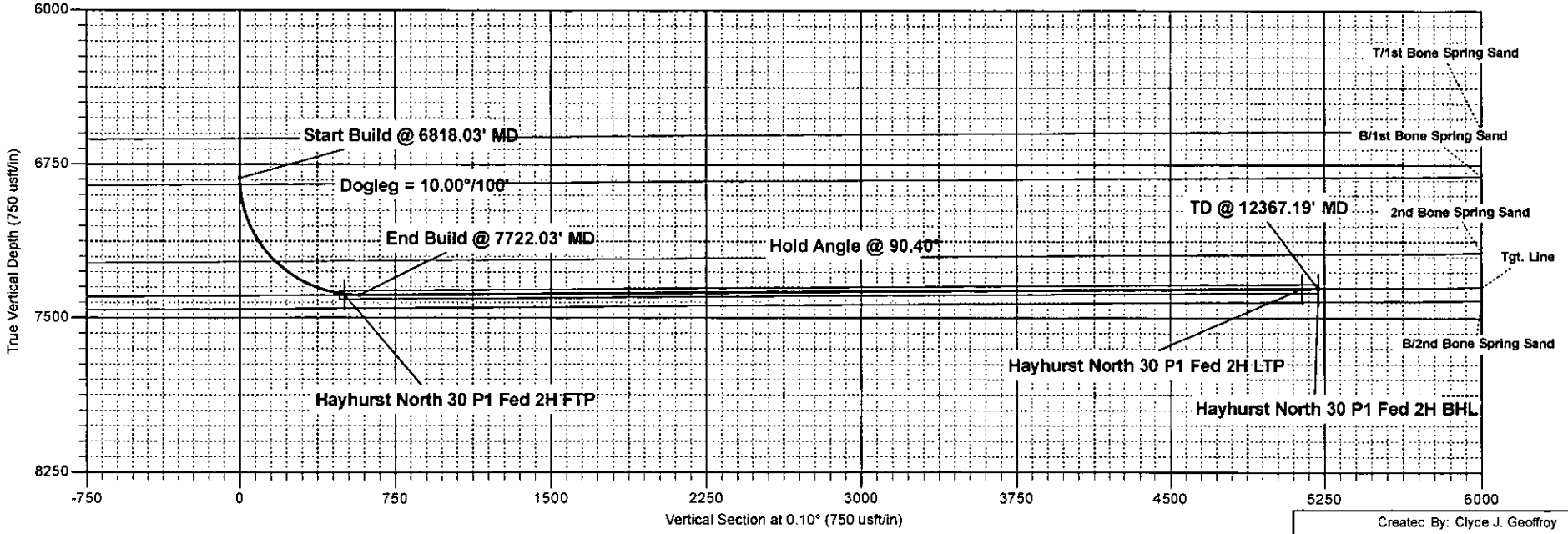
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6818.03	0.00	0.00	6818.03	0.00	0.00	0.00	0.00	0.00	Start Build
7722.03	90.40	0.10	7390.97	576.96	0.99	10.00	0.10	576.96	End Build
12367.19	90.40	0.10	7358.54	5222.00	9.00	0.00	0.00	5222.01	TD

TARGET INFORMATION:

7395.0' TVD @ 0.00' VS w/0.40° Up Dip
20' Up & 20' Down
50' Right & 50' Left

To convert a Magnetic Direction to a Grid Direction, Add 7.57°

Magnetic Model: BGGM2014 Date: 12-Jan-15
Azimuths to Grid North



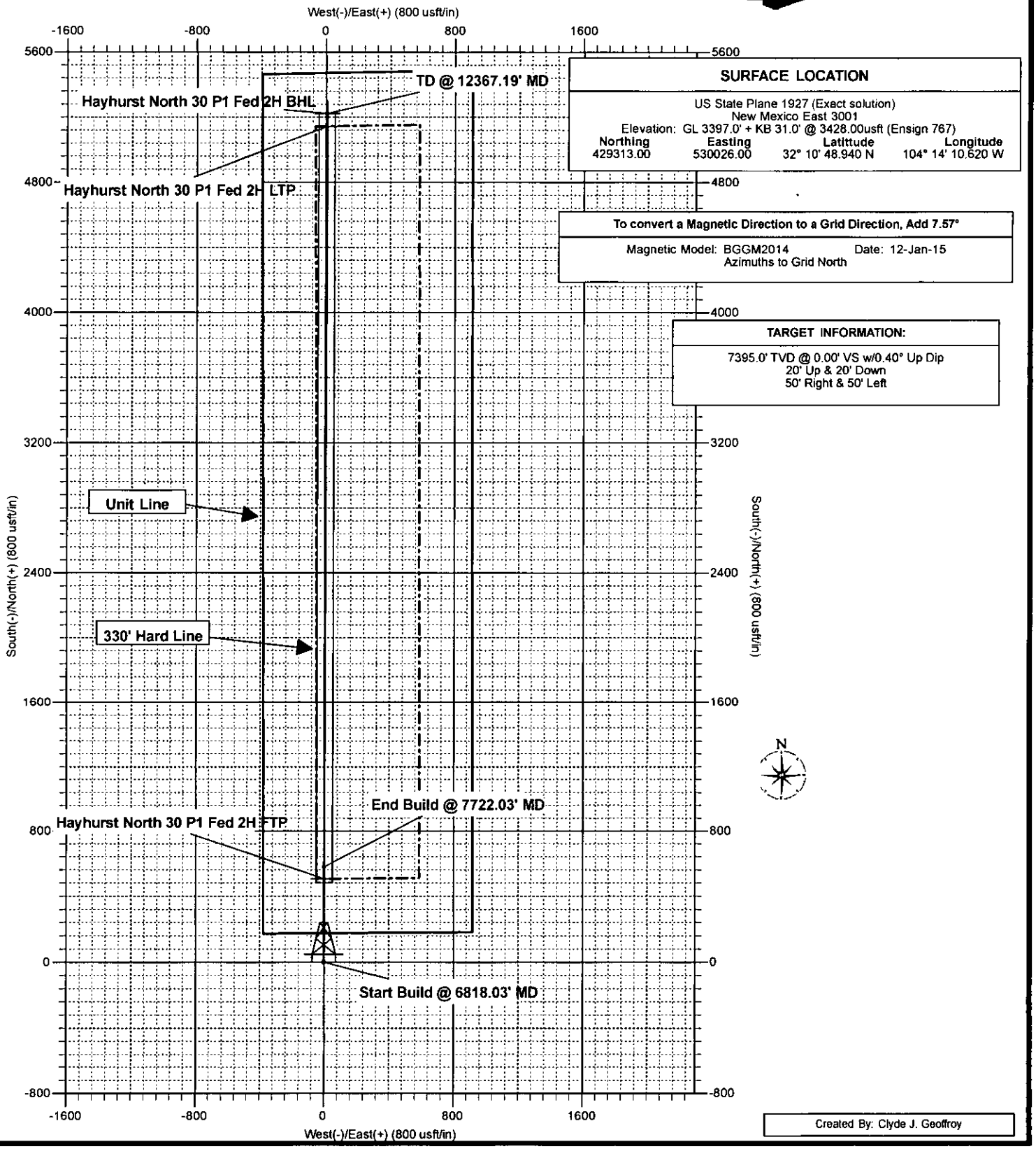
Created By: Clyde J. Geoffroy

Chevron USA, Inc.

HALLIBURTON | Sperry Drilling

Project: Eddy County, NM
Site: Hayhurst North
Well: Hayhurst North 30 P1 Fed 2H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Ensign 767

Chevron



SURFACE LOCATION

US State Plane 1927 (Exact solution)
New Mexico East 3001
Elevation: GL 3397.0' + KB 31.0' @ 3428.00usft (Ensign 767)

Northing	Easting	Latitude	Longitude
429313.00	530026.00	32° 10' 48.940 N	104° 14' 10.620 W

To convert a Magnetic Direction to a Grid Direction, Add 7.57°

Magnetic Model: BGGM2014 Date: 12-Jan-15
Azimuths to Grid North

TARGET INFORMATION:

7395.0' TVD @ 0.00' VS w/0.40° Up Dip
20' Up & 20' Down
50' Right & 50' Left

Created By: Clyde J. Geoffroy

Chevron USA, Inc.

Eddy County, NM
Hayhurst North
Hayhurst North 30 P1 Fed 2H

Wellbore #1

Plan: Plan #1

Sperry Drilling Services
Proposal Report

12 January, 2015

Well Coordinates: 429,313.00 N, 530,026.00 E (32° 10' 48.94" N, 104° 14' 10.62" W)
Ground Level: 3,397.00 usft

Local Coordinate Origin:	Centered on Well Hayhurst North 30 P1 Fed 2H
Viewing Datum:	GL 3397.0' + KB 31.0' @ 3428.00usft (Ensign 767)
TVDs to System:	N
North Reference:	Grid
Unit System:	API - US Survey Feet

Version: 5000.1 Build: 72

HALLIBURTON

Plan Report for Hayhurst North 30 P1 Fed 2H - Plan #1

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	Toolface Azimuth (°)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
388.00	0.00	0.00	388.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Castille										
2,178.00	0.00	0.00	2,178.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lamar LS										
2,248.00	0.00	0.00	2,248.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bell Canyon										
3,003.00	0.00	0.00	3,003.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cherry Canyon										
4,078.00	0.00	0.00	4,078.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brushy Canyon										
5,712.00	0.00	0.00	5,712.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
T/Bone Spring										
6,628.00	0.00	0.00	6,628.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
T/1st Bone Spring Sand										
6,818.03	0.00	0.00	6,818.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build @ 6818.03' MD - Dogleg = 10.00°/100'										
6,852.01	3.40	0.10	6,851.99	1.01	0.00	1.01	10.00	10.00	0.00	0.10
B/1st Bone Spring Sand										
6,900.00	8.20	0.10	6,899.72	5.85	0.01	5.85	10.00	10.00	0.00	0.00
7,000.00	18.20	0.10	6,996.96	28.66	0.05	28.66	10.00	10.00	0.00	0.00
7,100.00	28.20	0.10	7,088.75	68.00	0.12	68.00	10.00	10.00	0.00	0.00
7,200.00	38.20	0.10	7,172.33	122.68	0.21	122.68	10.00	10.00	0.00	0.00
7,274.61	45.66	0.10	7,227.80	172.50	0.30	172.50	10.00	10.00	0.00	0.00
2nd Bone Spring Sand										
7,300.00	48.20	0.10	7,245.13	191.04	0.33	191.04	10.00	10.00	0.00	0.00
7,400.00	58.20	0.10	7,304.96	271.01	0.47	271.01	10.00	10.00	0.00	0.00
7,500.00	68.20	0.10	7,350.00	360.16	0.62	360.16	10.00	10.00	0.00	0.00
7,600.00	78.20	0.10	7,378.87	455.76	0.79	455.77	10.00	10.00	0.00	0.00
7,650.43	83.24	0.10	7,387.00	505.52	0.87	505.52	10.00	10.00	0.00	0.00
Hayhurst North 30 P1 Fed 2H FTP										
7,700.00	88.20	0.10	7,390.70	554.93	0.96	554.94	10.00	10.00	0.00	0.00
7,722.03	90.40	0.10	7,390.97	576.96	0.99	576.96	10.00	10.00	0.00	0.00
End Build @ 7722.03' MD - Hold Angle @ 90.40° - Tgt. Line										
7,800.00	90.40	0.10	7,390.42	654.93	1.13	654.93	0.00	0.00	0.00	0.00
7,900.00	90.40	0.10	7,389.73	754.93	1.30	754.93	0.00	0.00	0.00	0.00
8,000.00	90.40	0.10	7,389.03	854.92	1.47	854.93	0.00	0.00	0.00	0.00
8,100.00	90.40	0.10	7,388.33	954.92	1.65	954.92	0.00	0.00	0.00	0.00
8,200.00	90.40	0.10	7,387.63	1,054.92	1.82	1,054.92	0.00	0.00	0.00	0.00
8,300.00	90.40	0.10	7,386.93	1,154.92	1.99	1,154.92	0.00	0.00	0.00	0.00
8,400.00	90.40	0.10	7,386.24	1,254.91	2.16	1,254.92	0.00	0.00	0.00	0.00
8,500.00	90.40	0.10	7,385.54	1,354.91	2.34	1,354.91	0.00	0.00	0.00	0.00
8,600.00	90.40	0.10	7,384.84	1,454.91	2.51	1,454.91	0.00	0.00	0.00	0.00
8,700.00	90.40	0.10	7,384.14	1,554.91	2.68	1,554.91	0.00	0.00	0.00	0.00
8,800.00	90.40	0.10	7,383.44	1,654.90	2.85	1,654.91	0.00	0.00	0.00	0.00
8,900.00	90.40	0.10	7,382.75	1,754.90	3.02	1,754.90	0.00	0.00	0.00	0.00
9,000.00	90.40	0.10	7,382.05	1,854.90	3.20	1,854.90	0.00	0.00	0.00	0.00
9,100.00	90.40	0.10	7,381.35	1,954.90	3.37	1,954.90	0.00	0.00	0.00	0.00
9,200.00	90.40	0.10	7,380.65	2,054.89	3.54	2,054.90	0.00	0.00	0.00	0.00
9,300.00	90.40	0.10	7,379.95	2,154.89	3.71	2,154.89	0.00	0.00	0.00	0.00
9,400.00	90.40	0.10	7,379.25	2,254.89	3.89	2,254.89	0.00	0.00	0.00	0.00
9,500.00	90.40	0.10	7,378.56	2,354.89	4.06	2,354.89	0.00	0.00	0.00	0.00
9,600.00	90.40	0.10	7,377.86	2,454.88	4.23	2,454.89	0.00	0.00	0.00	0.00
9,700.00	90.40	0.10	7,377.16	2,554.88	4.40	2,554.88	0.00	0.00	0.00	0.00
9,800.00	90.40	0.10	7,376.46	2,654.88	4.58	2,654.88	0.00	0.00	0.00	0.00
9,900.00	90.40	0.10	7,375.76	2,754.88	4.75	2,754.88	0.00	0.00	0.00	0.00
10,000.00	90.40	0.10	7,375.07	2,854.87	4.92	2,854.88	0.00	0.00	0.00	0.00

Plan Report for Hayhurst North 30 P1 Fed 2H - Plan #1

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	Toolface Azimuth (°)
10,100.00	90.40	0.10	7,374.37	2,954.87	5.09	2,954.87	0.00	0.00	0.00	0.00
10,200.00	90.40	0.10	7,373.67	3,054.87	5.26	3,054.87	0.00	0.00	0.00	0.00
10,300.00	90.40	0.10	7,372.97	3,154.86	5.44	3,154.87	0.00	0.00	0.00	0.00
10,400.00	90.40	0.10	7,372.27	3,254.86	5.61	3,254.87	0.00	0.00	0.00	0.00
10,500.00	90.40	0.10	7,371.58	3,354.86	5.78	3,354.86	0.00	0.00	0.00	0.00
10,600.00	90.40	0.10	7,370.88	3,454.86	5.95	3,454.86	0.00	0.00	0.00	0.00
10,700.00	90.40	0.10	7,370.18	3,554.85	6.13	3,554.86	0.00	0.00	0.00	0.00
10,800.00	90.40	0.10	7,369.48	3,654.85	6.30	3,654.86	0.00	0.00	0.00	0.00
10,900.00	90.40	0.10	7,368.78	3,754.85	6.47	3,754.86	0.00	0.00	0.00	0.00
11,000.00	90.40	0.10	7,368.08	3,854.85	6.64	3,854.85	0.00	0.00	0.00	0.00
11,100.00	90.40	0.10	7,367.39	3,954.84	6.82	3,954.85	0.00	0.00	0.00	0.00
11,200.00	90.40	0.10	7,366.69	4,054.84	6.99	4,054.85	0.00	0.00	0.00	0.00
11,300.00	90.40	0.10	7,365.99	4,154.84	7.16	4,154.85	0.00	0.00	0.00	0.00
11,400.00	90.40	0.10	7,365.29	4,254.84	7.33	4,254.84	0.00	0.00	0.00	0.00
11,500.00	90.40	0.10	7,364.59	4,354.83	7.51	4,354.84	0.00	0.00	0.00	0.00
11,600.00	90.40	0.10	7,363.90	4,454.83	7.68	4,454.84	0.00	0.00	0.00	0.00
11,700.00	90.40	0.10	7,363.20	4,554.83	7.85	4,554.84	0.00	0.00	0.00	0.00
11,800.00	90.40	0.10	7,362.50	4,654.83	8.02	4,654.83	0.00	0.00	0.00	0.00
11,900.00	90.40	0.10	7,361.80	4,754.82	8.19	4,754.83	0.00	0.00	0.00	0.00
12,000.00	90.40	0.10	7,361.10	4,854.82	8.37	4,854.83	0.00	0.00	0.00	0.00
12,100.00	90.40	0.10	7,360.41	4,954.82	8.54	4,954.83	0.00	0.00	0.00	0.00
12,200.00	90.40	0.10	7,359.71	5,054.82	8.71	5,054.82	0.00	0.00	0.00	0.00
12,287.49	90.40	0.10	7,359.10	5,142.30	8.86	5,142.31	0.00	0.00	0.00	0.00
Hayhurst North 30 P1 Fed 2H LTP										
12,300.00	90.40	0.10	7,359.01	5,154.81	8.88	5,154.82	0.00	0.00	0.00	0.00
12,367.19	90.40	0.10	7,358.54	5,222.00	9.00	5,222.01	0.00	0.00	0.00	0.00
TD @ 12367.19' MD - Hayhurst North 30 P1 Fed 2H BHL										

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
6,818.03	6,818.03	0.00	0.00	Start Build @ 6818.03' MD
6,818.03	6,818.03	0.00	0.00	Dogleg = 10.00°/100'
7,722.03	7,390.97	576.96	0.99	End Build @ 7722.03' MD
7,722.03	7,390.97	576.96	0.99	Hold Angle @ 90.40°
12,367.19	7,358.54	5,222.00	9.00	TD @ 12367.19' MD

Vertical Section Information

	Angle Type	Target	Azimuth (°)	Origin Type	Origin +N/_S (usft)	Origin +E/-W (usft)	Start TVD (usft)
TD		No Target (Freehand)	0.10	Slot	0.00	0.00	0.00

Survey tool program

From (usft)	To (usft)	Survey/Plan	Survey Tool
0.00	12,367.19	Plan #1	MWD+SC

Plan Report for Hayhurst North 30 P1 Fed 2H - Plan #1

Formation Details

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
388.00	388.00	Castille		-0.40	0.10
2,178.00	2,178.00	Lamar LS		-0.40	0.10
2,248.00	2,248.00	Bell Canyon		-0.40	0.10
3,003.00	3,003.00	Cherry Canyon		-0.40	0.10
4,078.00	4,078.00	Brushy Canyon		-0.40	0.10
5,712.00	5,712.00	T/Bone Spring		-0.40	0.10
6,628.00	6,628.00	T/1st Bone Spring Sand		-0.40	0.10
6,852.01	6,852.00	B/1st Bone Spring Sand		-0.40	0.10
7,274.61	7,229.00	2nd Bone Spring Sand		-0.40	0.10
7,722.03	7,395.00	Tgt. Line		-0.40	0.10

Targets associated with this wellbore

Target Name	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Shape
Hayhurst North 30 P1 Fed 2H FTP	7,391.47	504.99	0.07	Point
Hayhurst North 30 P1 Fed 2H BHL	7,358.54	5,222.00	9.00	Rectangle
Hayhurst North 30 P1 Fed 2H LTP	7,359.10	5,142.30	8.78	Point

North Reference Sheet for Hayhurst North - Hayhurst North 30 P1 Fed 2H - Wellbore #1

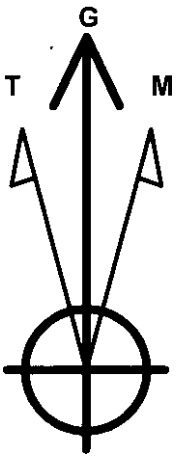
All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.
Vertical Depths are relative to GL 3397.0' + KB 31.0' @ 3428.00usft (Ensign 767). Northing and Easting are relative to Hayhurst North 30 P1 Fed 2H
Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 3001 using datum NAD 1927 (NADCON CONUS), ellipsoid Clarke 1866

Projection method is Transverse Mercator (Gauss-Kruger)
Central Meridian is -104.33°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:0° 0' 0.000 N°
False Easting: 500,000.00usft, False Northing: 0.00usft, Scale Reduction: 0.99991012

Grid Coordinates of Well: 429,313.00 usft N, 530,026.00 usft E
Geographical Coordinates of Well: 32° 10' 48.94" N, 104° 14' 10.62" W
Grid Convergence at Surface is: 0.05°

Based upon Minimum Curvature type calculations, at a Measured Depth of 12,367.19usft
the Bottom Hole Displacement is 5,222.01usft in the Direction of 0.10° (Grid).

Magnetic Convergence at surface is: -7.57° (12 January 2015, , BGGM2014)



Magnetic Model:	BGGM2014
Date:	12-Jan-15
Declination:	7.62°
Inclination/Dip:	59.93°
Field Strength:	48104

Grid North is 0.05° East of True North (Grid Convergence)
Magnetic North is 7.62° East of True North (Magnetic Declination)
Magnetic North is 7.57° East of Grid North (Magnetic Convergence)

To convert a True Direction to a Grid Direction, Subtract 0.05°
To convert a Magnetic Direction to a True Direction, Add 7.62° East
To convert a Magnetic Direction to a Grid Direction, Add 7.57°

BLOWOUT PREVENTOR SCHEMATIC

Minimum Requirements

OPERATION : Intermediate and Production Hole Sections

Minimum System Pressure Rating : **5,000 psi**

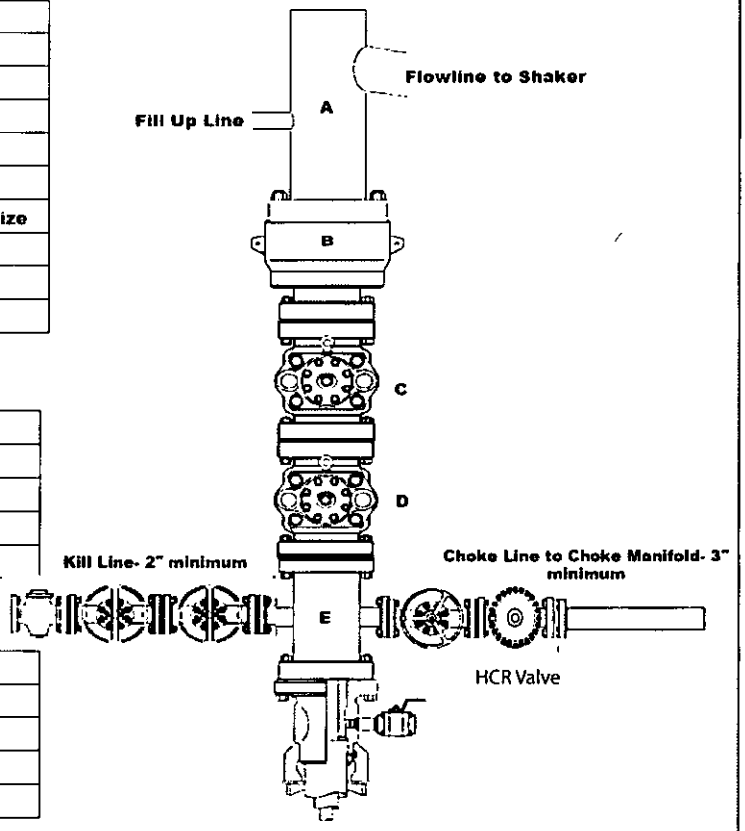
	SIZE	PRESSURE	DESCRIPTION
A		N/A	Bell Nipple
B	13 5/8"	5,000 psi	Annular
C	13 5/8"	5,000 psi	Pipe Ram
D	13 5/8"	5,000 psi	Blind Ram
E	13 5/8"	5,000 psi	Mud Cross
F			
DSA		As required for each hole size	
C-Sec			
B-Sec		13-5/8" 5K x 11" 5K	
A-Sec		13-3/8" SOW x 13-5/8" 5K	

Kill Line

SIZE	PRESSURE	DESCRIPTION
2"	5,000 psi	Gate Valve
2"	5,000 psi	Gate Valve
2"	5,000 psi	Check Valve

Choke Line

SIZE	PRESSURE	DESCRIPTION
3"	5,000 psi	Gate Valve
3"	5,000 psi	HCR Valve



Installation Checklist

The following item must be verified and checked off prior to pressure testing of 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 though flow.**
- ☐ **The kill line and choke line will be straight unless turns use tee blocks or are targeted with running tess, and will be anchored to prevent whip and reduce vibration.**
- ☐ **Manual (hand wheels) or automatic locking devices will be installed on all ram preventers. Hand wheels will also be installed on all manual valves on the choke line 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 safety valve and subs to fit all drill string connections in use.**

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

Representative: _____

Date: _____

Midwest Hose & Specialty, Inc.

Internal Hydrostatic Test Graph

August 7, 2013

Customer: Odessa

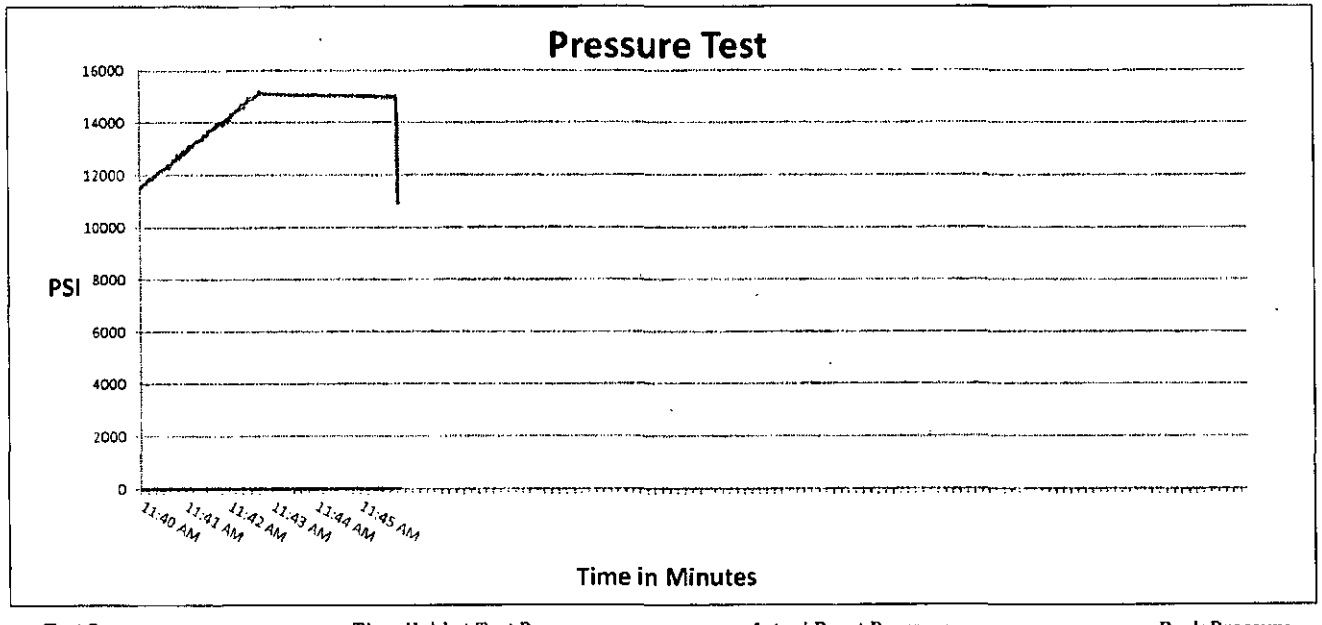
Pick Ticket #: 212332

Hose Specifications

Hose Type	Length
E	25'
I.D.	**O.D.**
3""	4.77"
Working Pressure	**Burst Pressure**
7500 PSI	Standard Safety Multiplier Applies

Verification

Type of Fitting	Coupling Method
4 1/16 10K	Swage
Die Size	**Final O.D.**
5.25"	5.31"
Hose Serial #	**Hose Assembly Serial #**
8104	212332



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
15000 PSI	3 2/4 Minutes		15263 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: *Ryan Malone*

X _____

Approved By: *Ryan Adams*

X _____

Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST CERTIFICATE

Customer:	Customer P.O. Number:
ODESSA	193072

HOSE SPECIFICATIONS

Type:	Hose Length:
Rotary/CHOKE KILL GRADE E / API 7K	25' FEET

I.D.	O.D.
3" INCHES	4.77 INCHES

WORKING PRESSURE	TEST PRESSURE	BURST PRESSURE
10,000 PSI	15,000 PSI	N/A PSI

COUPLINGS

Part Number	Stem Lot Number	Ferrule Lot Number
E3.0X64WB		L08301765
E3.0X64WB		L08301765

Type of Coupling:	Die Size:
SWAGE-IT	5.25

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE	ACTUAL BURST PRESSURE:
3 1/2 MIN.	N/A PSI

Hose Assembly Serial Number:	Hose Serial Number:
212332	8104

Comments:

Date:	Tested:	Approved:
8/7/2013		

CHOKE MANIFOLD SCHEMATIC

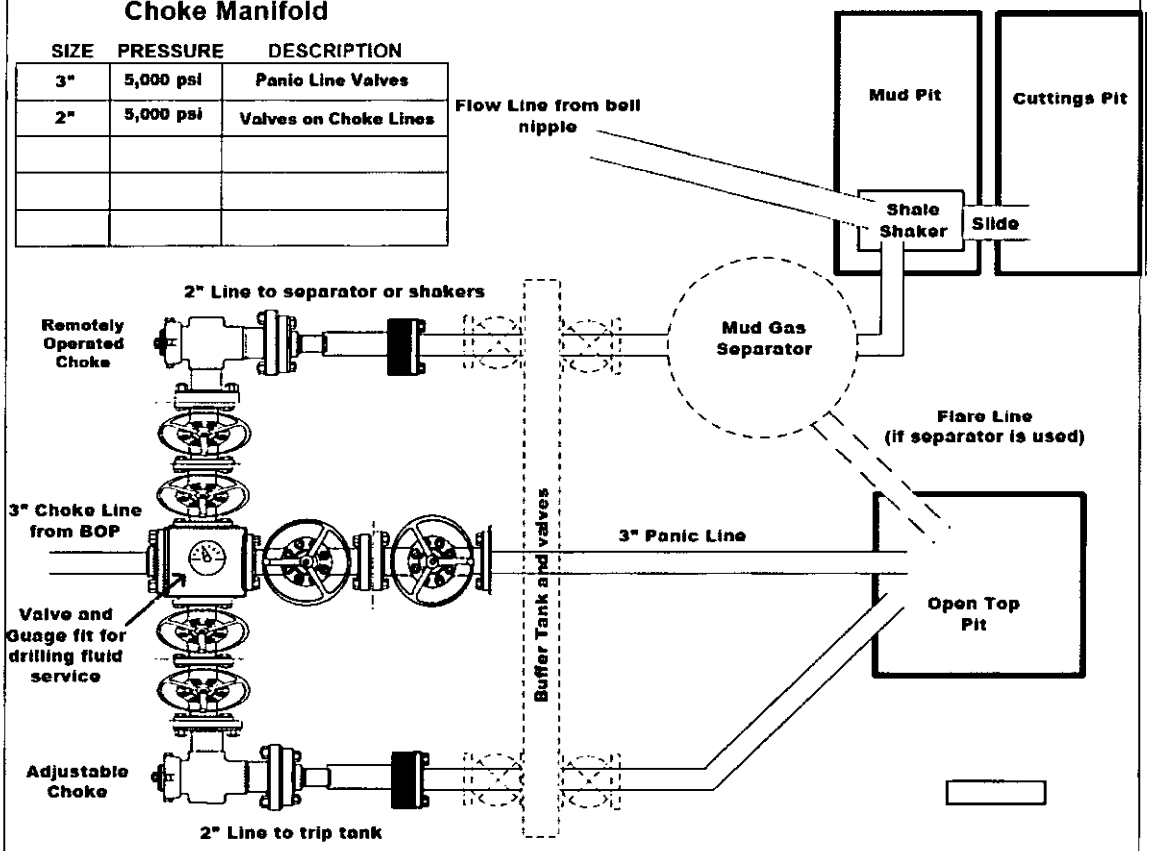
Minimum Requirements

OPERATION : Intermediate and Production Hole Sections

Minimum System Pressure Rating : **5,000 psi**

Choke Manifold

SIZE	PRESSURE	DESCRIPTION
3"	5,000 psi	Panic Line Valves
2"	5,000 psi	Valves on Choke Lines



Installation Checklist

The following item must be verified and checked off prior to pressure testing of 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.**
- ☐ **Adjustable Chokes may be Remotely Operated but will have backup hand pump for hydraulic actuation in case of loss of rig air pressure or power.**
- ☐ **Flare and Panic lines will terminate a minimum of 150' from the wellhead. These lines will terminate at a location as per approved APD.**
- ☐ **The choke line, kill line, and choke manifold lines will be straight unless turns use tee blocks or are targeted with running tess, and will be anchored to prevent whip and reduce vibration. This excludes the line between mud gas separator and shale shaker.**
- ☐ **All valves (except chokes) on choke line, kill line, and choke manifold will be full opening and will allow straight through flow. This exoludes any valves between mud gas separator and shale shakers.**
- ☐ **All manual valves will have hand wheels installed.**
- ☐ **If used, flare system will have effective method for ignition**
- ☐ **All connections will be flanged, welded, or clamped (no threaded connections like hammer unions)**
- ☐ **If buffer tank is used, a valve will be used on all lines at any entry or exit point to or from the buffer tank.**

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

Representative: _____

Date: _____

BOPE Testing

Minimum Requirements

Closing Unit and Accumulator Checklist

The following item must be performed, verified, and checked off at least once per well prior to low/high pressure testing of BOP equipment. This must be repeated after 6 months on the same well.

☐ **Precharge pressure for each accumulator bottle must fall within the range below. Bottles may be further charged with nitrogen gas only. Tested precharge pressures must be recorded for each individual bottle and kept on location through the end of the well. Test will be conducted prior to connecting unit to BOP stack.**

Check one that applies	Accumulator working pressure rating	Minimum acceptable operating pressure	Desired precharge pressure	Maximum acceptable precharge pressure	Minimum acceptable precharge pressure
☐	1500 psi	1500 psi	750 psi	800 psi	700 psi
☐	2000 psi	2000 psi	1000 psi	1100 psi	900 psi
☐	3000 psi	3000 psi	1000 psi	1100 psi	900 psi

☐ **Accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if used), close all rams, close the annular preventer, and retain a minimum of 200 psi above the maximum acceptable precharge pressure (see table above) on the closing manifold without the use of the closing pumps. This test will be performed with test pressure recorded and kept on location through the end of the well**

☐ **Accumulator fluid reservoir will be double the usable fluid volume of the accumulator system capacity. Fluid level will be maintained at manufacturer's recommendations. Usable fluid volume will be recorded. Reservior capacity will be recorded. Reservoir fluid level will be recorded along with manufacturer's recommendation. All will be kept on location through the end of the well.**

☐ **Closing unit system will have two independent power sources (not counting accumulator bottles) to close the preventers.**

☐ **Power for the closing unit pumps will be available to the unit at all times so that the pumps will automatically start when the closing valve manifold pressure decreases to the pre-set level. It is recommended to check that air line to accumulator pump is "ON" during each tour change.**

☐ **With accumulator bottles isolated, closing unit will be capable of opening the hydraulically-operated choke line valve (if used) plus close the annular preventer on the smallest size drill pipe within 2 minutes and obtain a minimum of 200 psi above maximum acceptable precharge pressure (see table above) on the closing manifold. Test pressure and closing time will be recorded and kept on location through the end of the well.**

☐ **Master controls for the BOPE system will be located at the accumulator and will be capable of opening and closing all preventer and the choke line valve (if used)**

☐ **Remote controls for the BOPE system will be readily accessible (clear path) to the driller and located on the rig floor (not in the dog house). Remote controls will be capable of closing all preventers.**

☐ **Record accumulator tests in drilling reports and IADC sheet**

BOPE Test Checklist

The following item must be checked off prior to beginning test

☐ **BLM will be given at least 4 hour notice prior to beginning BOPE testing**

☐ **Valve on casing head below test plug will be open**

☐ **Test will be performed using clear water.**

The following item must be performed during the BOPE testing and then checked off

☐ **BOPE will be pressure tested when initially installed, whenever any seal subject to test pressure is broken, following related repairs, and at a minimum of 30 days intervals. Test pressure and times will be recorded by a 3rd party on a test chart and kept on location through the end of the well.**

☐ **Test plug will be used**

☐ **Ram type preventer and all related well control equipment will be tested to 250 psi (low) and 5,000 psi (high).**

☐ **Annular type preventer will be tested to 250 psi (low) and 3,500 psi (high).**

☐ **Valves will be tested from the working pressure side with all down stream valves open. The check valve will be held open to test the kill line valve(s)**

☐ **Each pressure test will be held for 10 minutes with no allowable leak off.**

☐ **Master controls and remote controls to the closing unit (accumulator) must be function tested as part of the BOP testing**

☐ **Record BOP tests and pressures in drilling reports and IADC sheet**

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer along with any/all BOP and accumulator test charts and reports from 3rd parties.

Wellname: _____

Representative: _____

Date: _____

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

Agency	Telephone Number
Eddy County Sheriff's Department	575-887-7551
Fire Department:	
Carlsbad	575-885-3125
Artesia	575-746-5050
Carlsbad Medical Center	575-887-4100
Eddy County Emergency Management	575-628-5450
Poison Control Center	800-222-1222

Chevron MCBU D&C Emergency Notifications

Below are lists of contacts to be used in emergency situations.

	Name	Title	Office Number	Cell Phone
1.	Serik Seitassanov	Drilling Engineer	(713) 372-0453	(832) 581-8145
2.	Phil Clark	Superintendent	(713) 372-7588	(832) 741-4175
5.	Kim McHugh	Drilling Manager	(713) 372-7591	(713) 204- 8550
6.	Darrell Hammons	Operations Manager	(713) 372-5747	(281) 352 2302
7.	Spencer Halliday	D&C HES	(713) 372-5720	(281) 386-5781

H_2S Preparedness and Contingency Plan Summary

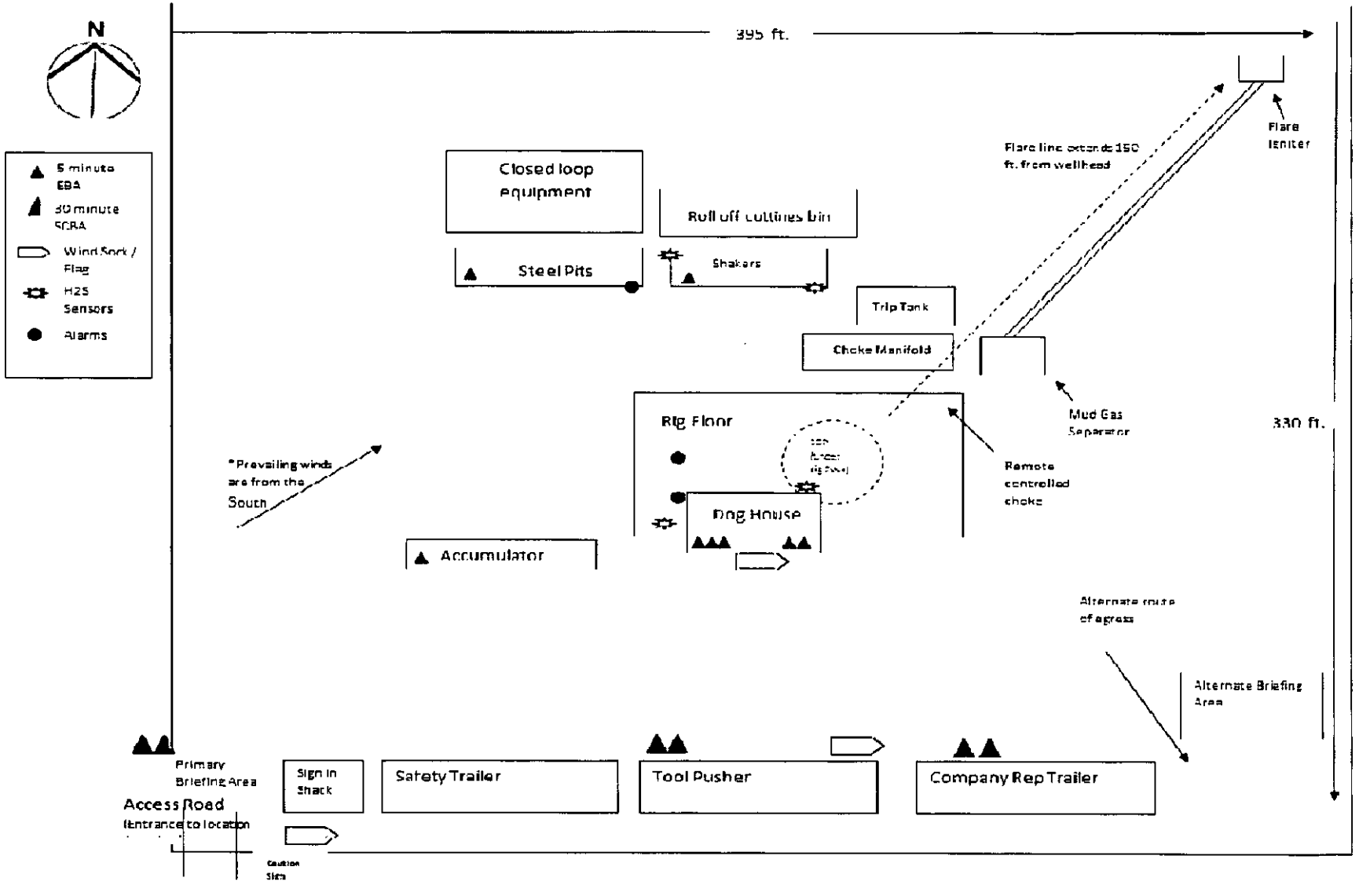
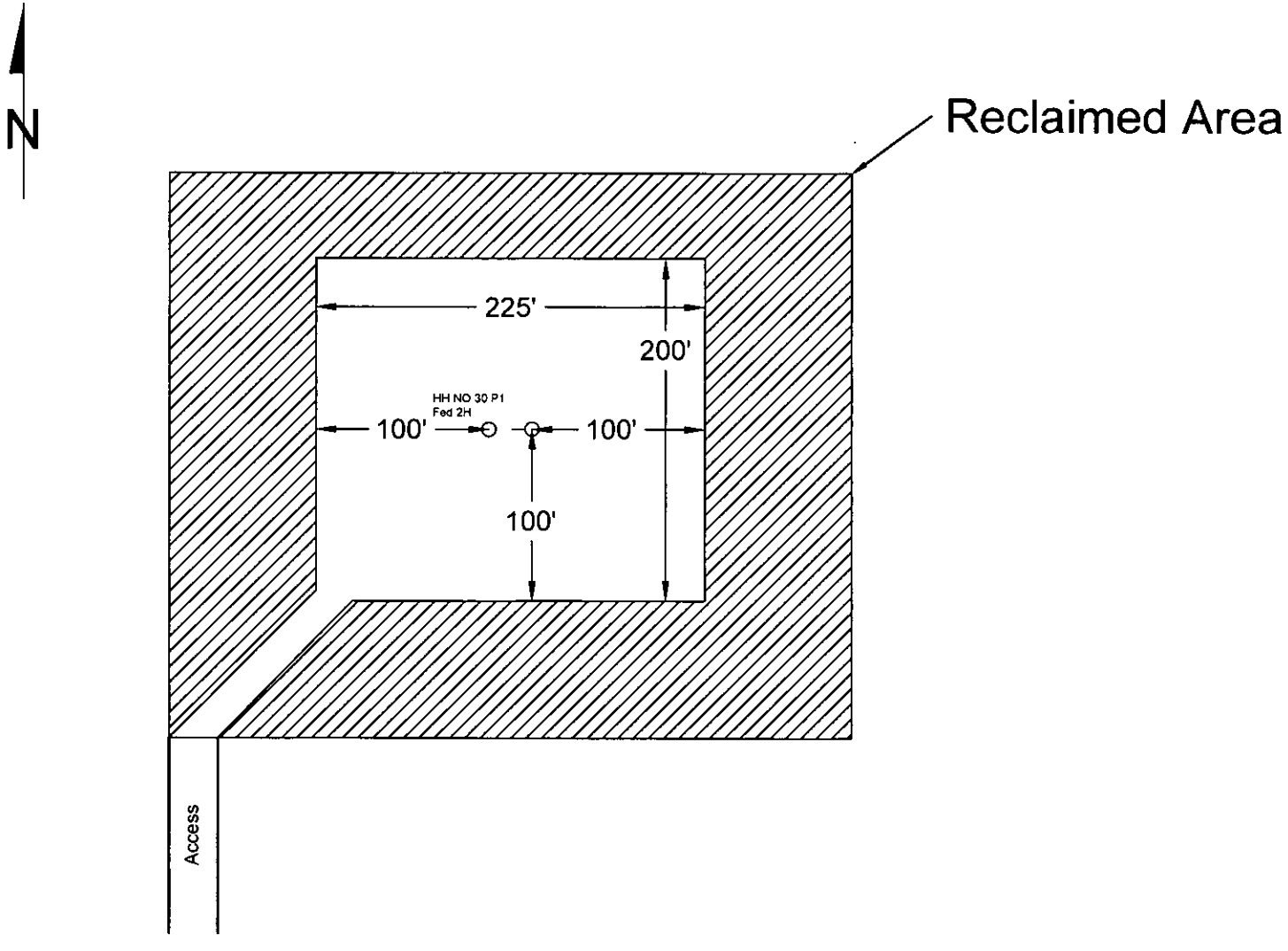


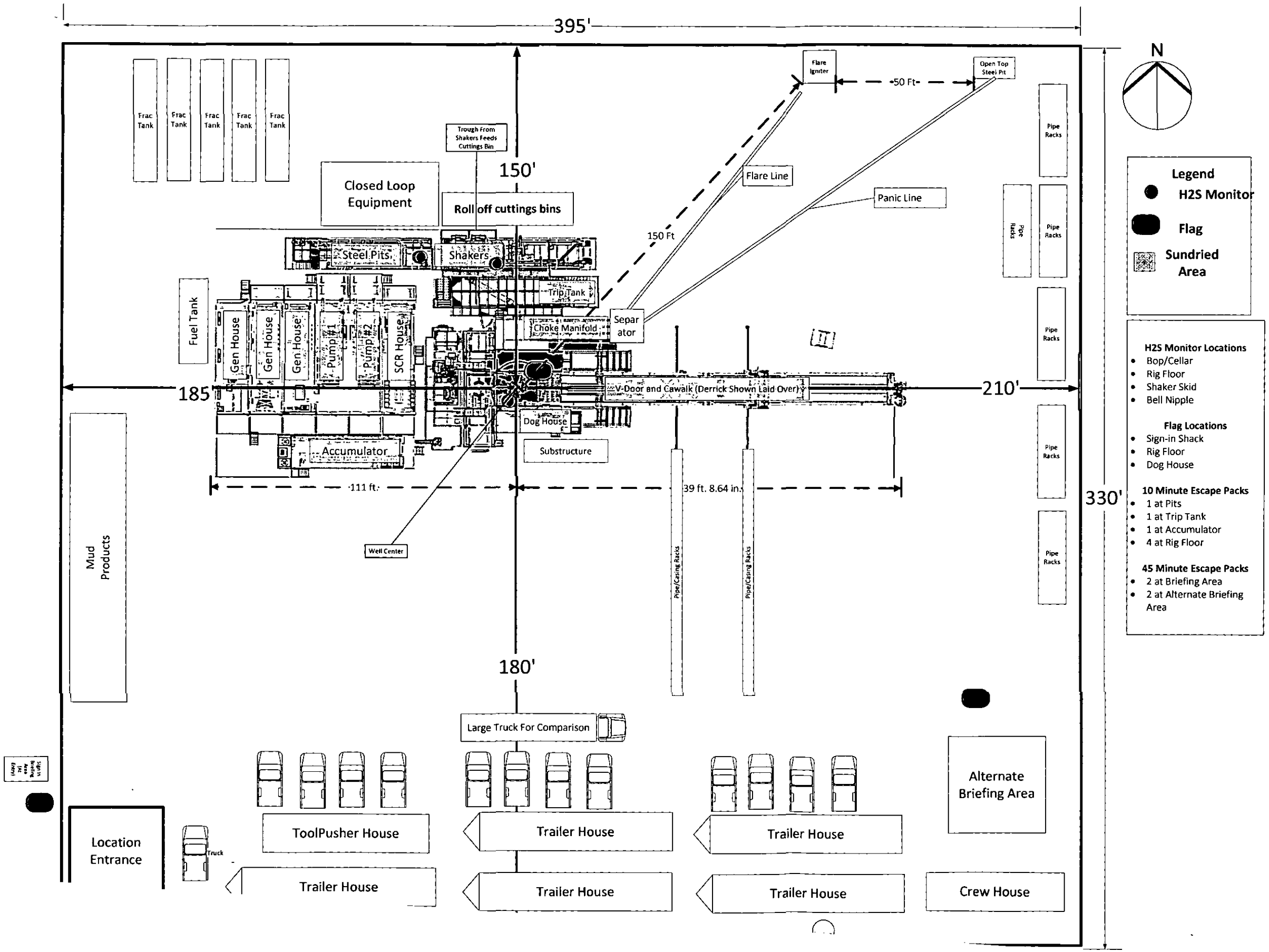
Exhibit 7



Chevron
Midcontinent Business Unit

DELAWARE BASIN
HH NO 30 P1 FED 2H Interim Reclamation

Ensign 767 Pad Layout (330' x 395')



H_2S Preparedness and Contingency Plan Summary

- HH NO 30 P1 Fed 2H

Training

MCBU Drilling and Completions H_2S 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_2S.

Awareness Level

Employees and visitors to MCBU Drilling and Completions locations that have known concentrations of H_2S, who are not required to perform work in H_2S areas, will be provided with an awareness level of H_2S training prior to entering any H_2S areas. At a minimum, awareness level training will include:

1. Physical and chemical properties of H_2S
2. Health hazards of H_2S
3. Personal protective equipment
4. Information regarding potential sources of H_2S
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_2S Training

Employees and contractors required to work in areas that may contain H_2S will be provided with Advanced Level H_2S training prior to initial assignment. In addition to the Awareness Level requirements, Advanced Level H_2S training will include:

1. H_2S safe work practice procedures;
2. Emergency contingency plan procedures;
3. Methods to detect the presence or release of H_2S (e.g., alarms, monitoring equipment), including hands-on training with direct reading and personal monitoring H_2S equipment.
4. Basic overview of respiratory protective equipment suitable for use in H_2S 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_2S training;
6. Proficiency examination covering all course material.

Advanced H_2S training courses will be instructed by personnel who have successfully completed an appropriate H_2S train-the-trainer development course (ANSI/ASSE Z390.1-2006) or who possess significant past experience through educational or work-related background.

H_2S Preparedness and Contingency Plan Summary

H_2S Training Certification

All employees and visitors will be issued an H_2S training certification card (or certificate) upon successful completion of the appropriate H_2S training course. Personnel working in an H_2S environment will carry a current H_2S 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 up-wind 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_2S 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

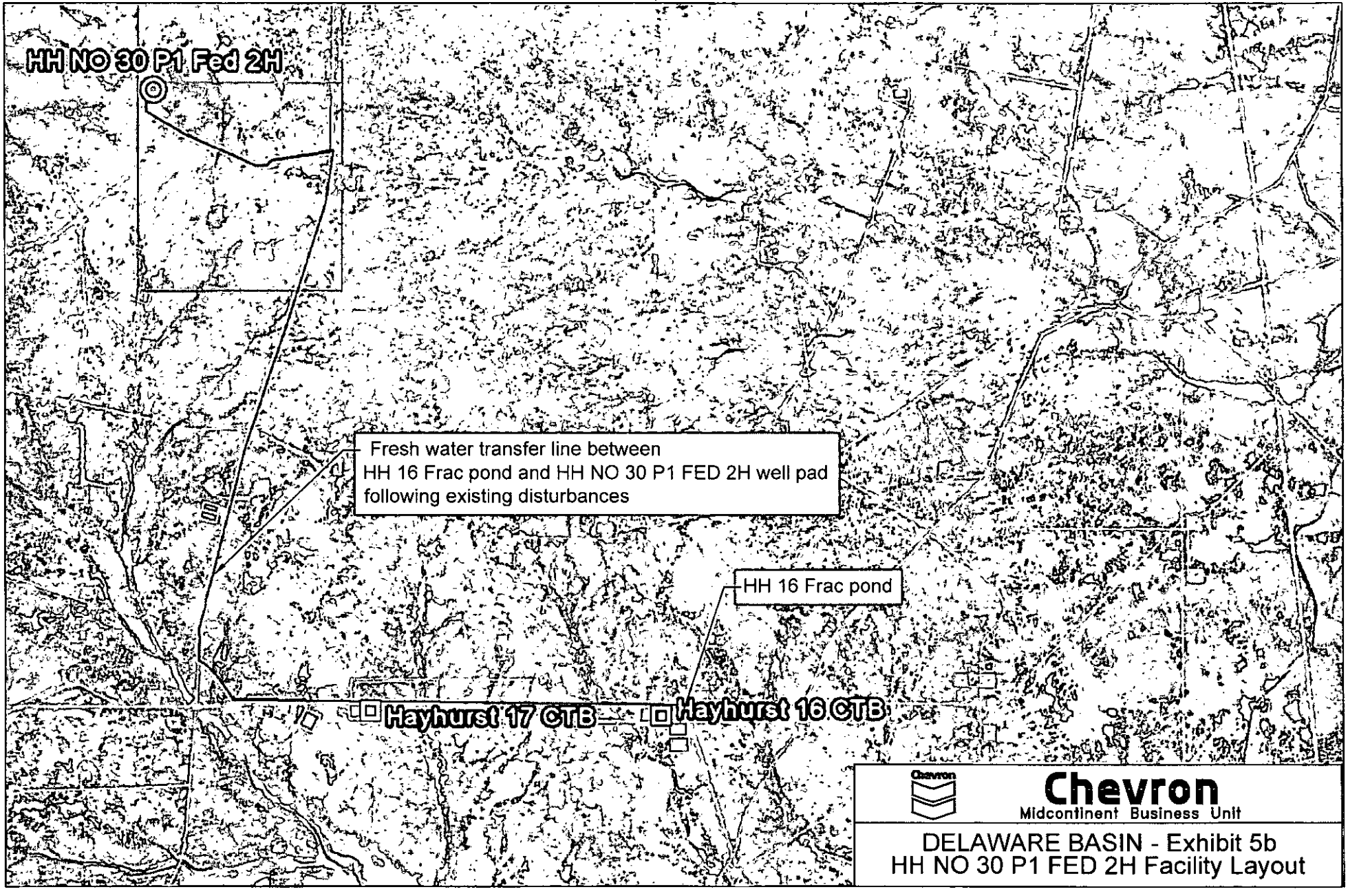
a) One color code sign, displaying all possible conditions, will be placed at the entrance to the location with a flag displaying the current condition.

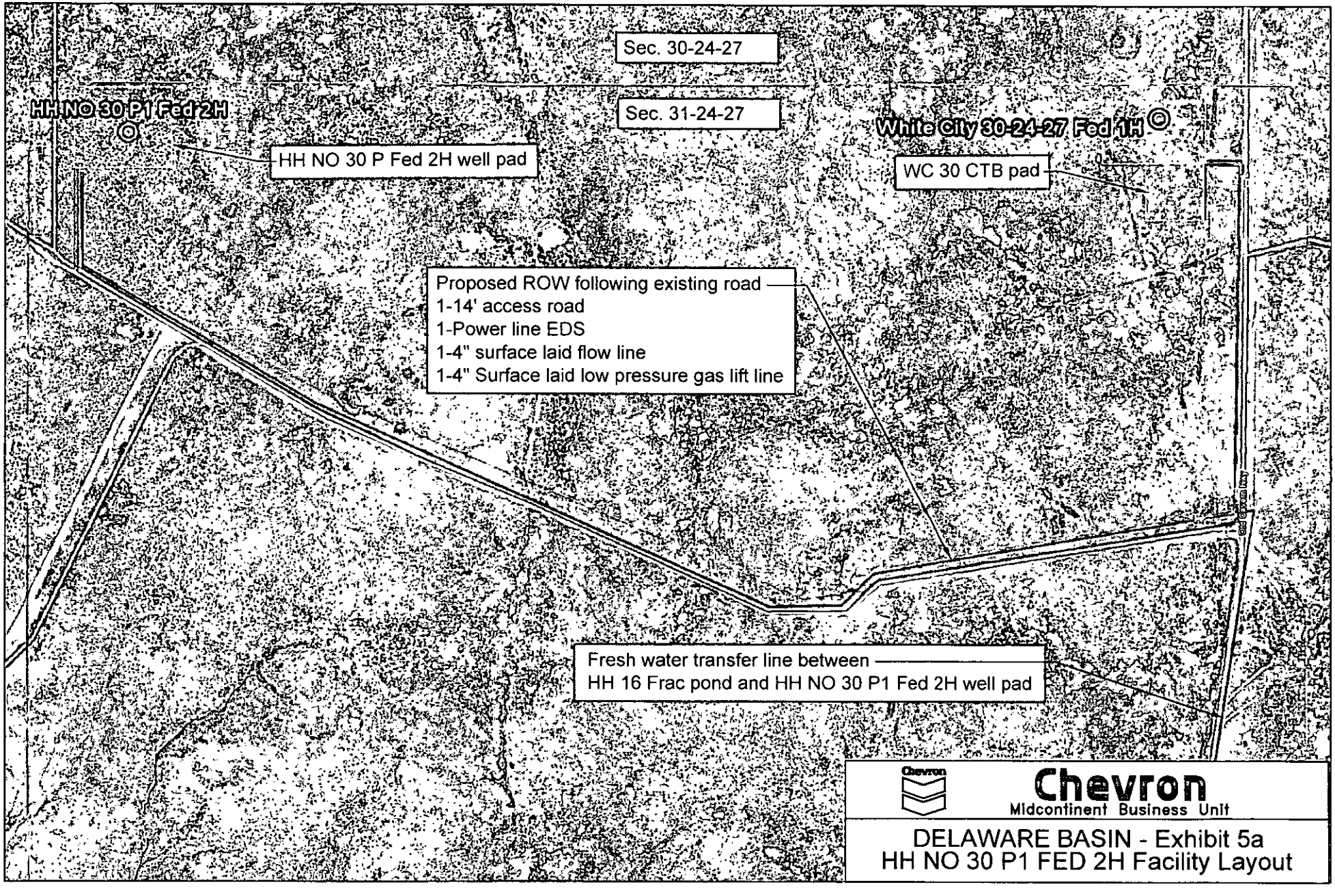
b) Two windsocks will be on location, one on the dog house and one on the Drill Site Manager's Trailer.

H_2S Detection and Monitoring System

a) H_2S 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.


HH NO 30 P1 Fed 2H
Fresh water transfer line between
HH 16 Frac pond and HH NO 30 P1 FED 2H well pad
following existing disturbances
HH 16 Frac pond
Hayhurst 17 CTB
Hayhurst 16 CTB
Chevron
Midcontinent Business Unit
DELAWARE BASIN - Exhibit 5b
HH NO 30 P1 FED 2H Facility Layout


Sec. 30-24-27
Sec. 31-24-27
HH NO 30 P1 Fed 2H
HH NO 30 P Fed 2H well pad
White City 30-24-27 Fed 1H
WC 30 CTB pad
Proposed ROW following existing road
1-14' access road
1-Power line EDS
1-4" surface laid flow line
1-4" Surface laid low pressure gas lift line
Fresh water transfer line between
HH 16 Frac pond and HH NO 30 P1 Fed 2H well pad
Chevron
Midcontinent Business Unit
DELAWARE BASIN - Exhibit 5a
HH NO 30 P1 FED 2H Facility Layout

APD Surface Use Plan of Operations

Existing Roads (Exhibit 1)

- The operator will improve or maintain existing roads in a condition the same as or better than before operations begin. The operator will repair pot holes, clear ditches, repair the crown, etc. All existing structures on the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use. We will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or wind events. BLM written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.

New or Reconstructed Access Roads – Survey plat (Exhibit 2)

- Road Width: The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed 14'. The maximum width of surface disturbance shall not exceed 25'.
- Maximum Grade: 3%
- Crown Design: Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2%. The road shall conform to cross section and plans for typical road construction found in the BLM Gold Book.
- Turnouts: 50-60'
- Ditch Design: Ditching will be constructed on both sides of road.
- Cattle guards: 1 Existing and 1 possible new CG needed per Jennifer Van Curen
- Major Cuts and Fills: 2:1 during drilling and completions. Cuts and fills taken back to 3:1 at interim.
- Type of Surfacing Material: Caliche

Location of Existing Wells (Exhibit 3)

- 1-Mile radius map is attached

Location of Existing and/or Proposed Production Facilities (Exhibit 4)

- Facilities: Production facilities will be in the northeast corner of NENE sec.31, T24S, R27E where oil sales will take place.
    - The facility is off lease.
    - 3rd party gas purchaser has agreed to pipeline to Chevron's production facilities and will be responsible for ROW approval.
    - Open top tanks or open containments will be netted.
    - Open vent exhaust stacks will be modified to prevent birds or bats from entering, discourage perching, roosting, and nesting.

- Facilities will have a secondary containment 1.5 times the holding capacity of largest storage tank.
- All above ground structures will be painted non-reflective shale green for blending with surrounding environment.
- The permanent water disposal system will be determined prior to construction of any water transfer pipeline. Until permanent water takeaway is available, produced water will be hauled off location in trucks.

- Pipelines: Two 4" surface flex pipelines with less than 125 psi working pressure will be laid along existing disturbances from well to production facility. A ROW will not be required.
  - All construction activity will be confined to the approved 20' width.
  - Pipeline will run perpendicular to road and will stay within 10' of road.
  - State boring permit will be applied for and approved prior to any road boring activity begins.
- Power lines: The permanent electrical supply route will be determined prior to construction of permanent distribution lines. A generator will be utilized until permanent power is connected.
  - Construction activity will not commence until Power line access is approved or ROW is approved.

Location and Types of Water Supply (Exhibit 5)—(if new pond-need survey plat-exhibit 2)

- From HH 16

Construction Material

- Caliche will be used to construct well pad and roads. Material will be purchased from the nearest federal, state, or private permitted pit.
- The proposed source of construction material will be located and purchased by construction contractor.
  - Payment shall be made by contractor prior to any removal of federal minerals material by contacting agent at (575) 234-5972.
  - Notification shall be given to BLM at (575) 234-5909 at least 3 working days prior to commencing construction of access road and/or well pad.

Methods for Handling Waste

- Drilling fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility.
- Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around the well site will be collected for disposal.

- Human waste and grey water will be properly contained and disposed of properly at a state approved disposal facility.
- After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a state approved disposal facility.
- The well will be drilled utilizing a closed loop system. Drill cutting will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

Ancillary Facilities

- Ancillary Facilities will not be required for this proposed project.

Well Site Layout (Exhibit 6)

- Surveyor Plat
  - Exterior well pad dimensions are 395' x 330'
  - Interior well pad dimensions from point of entry (well head) are 150' north, 180' south, 185' west, and 210' east
  - Total disturbance area needed for construction activities will be 3.12 acres
  - Topsoil placement: West and North
  - Cut and fill: West side of pad
- Rig Layout (Exhibit 6)

Plans for Surface Reclamation

Reclamation Objectives

- The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities.
- The long-term objective of final reclamation is to return the land to a condition similar to what existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.
- The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.
- If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is needed.
- Reclamation will be performed by using the following procedures:

Interim Reclamation Procedures

- Within 6 months, Chevron will contact BLM Surface Management Specialists to devise the best strategies to reduce the size of the location. Current plans for interim reclamation will consist of reclaiming the pad to +/-50 feet outside the anchors, or approximately 225 x 200 feet.
- Within 30 days of well completion, the well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production. A plan will be submitted showing where interim reclamation will be completed in order to allow for safe operations, protection of the environment outside of drilled well, and following best management practices found in the BLM "Gold Book".
- In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
- The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.
- Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used.
- Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.
- The interim reclamation will be monitored periodically to ensure that vegetation has reestablished

Final Reclamation (well pad, buried pipelines, and power lines, etc.)

- Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.
- All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
- All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends in distinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.
- After all the disturbed areas have been properly prepared; the areas will be seeded with the proper BLM seed mixture, free of noxious weeds.
- Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation of the surrounding area.

Surface Ownership

- If on private surface, supply:
    - Name: N/A (BLM)
    - Address

- Phone Number
- The operator must certify that they have provided a copy of the Surface Use Plan of Operations of the APD to the private surface owner or that they made a good faith effort if unable to provide the document to the surface owner.

Other Information

- On-site performed by BLM NRS: John Bell
- Cultural report attached: **Yes** Participating Agreement attached: N/A
- Erosion / Drainage: Drainage control system shall be constructed on the entire length of road by the use of any of the following: ditches, side hill out-sloping and in-sloping, lead-off ditches, culvert installation, or low water crossings.
- Exclosure fencing will be installed around open cellar to prevent livestock or large wildlife from being trapped after installation. Fencing will remain in place while no activity is present and until backfilling takes place.
- Terrain: Downhill grade to the N-NW at under 2%
- Soil: Light brown sandy-silt containing caliche gravel and small cobbles
- Vegetation: Vegetation present in surrounding area includes creosote, acacia, pencil cholla, prickly pear cati, shrubs, and grass.
- Wildlife: No wildlife observed, but it is likely that deer, rabbits, coyotes, and rodents pass through the area.
- Surface Water: There are no ponds, lakes, streams, or rivers within several miles of proposed location
- Cave Karst: None known
- Watershed Protection: The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminates from leaving the well pad.
- Water wells: No known water wells within the 1- mile radius.
- Residences and Buildings: No dwellings within the immediate vicinity of the proposed location.
- Well Signs: Well signs will be in compliance per federal and state requirements and specifications.

Chevron Representatives

Primary point of contact:
Jennifer Van Curen
Jennifer.VanCuren@arcadis-us.com
M- 432-270-8753

Chevron Functional Contacts

Project Manager Name: Danny Boone Address: 1400 Smith Street Houston, TX 77002 Phone: (713) 372-5390 Email: dboone@chevron.com	**Drilling Engineer** Name: Serik Address: 1400 Smith Street Houston, TX 77002 Phone: (713) 372-0453 Email: Serik.Seitassanov@chevron.com
Surface Land Representative Name: Kevin Dickerson Address: 15 Smith Road Midland Texas 79705 Phone: (432) 687-7104 Email: Kevin.Dickerson@chevron.com	**Facility Lead** Name: Christopher Smith Address: 15 Smith Road Midland, Texas 79705 Phone: (432) 687-7249 Email: Christopher.smith@chevron.com
Geologist Name: Jeff Fabre Address: 1400 Smith Street Houston, TX 77002 Phone: (713) 372-0523 Email: JeffreyFabre@chevron.com	**Regulatory Specialist** Cindy Herrera-Murillo Address: 1616 W. Bender Blvd Hobbs, NM 88240 Office: (575) 263-0431 Email: Cherreramurillo@chevron.com

EXHIBITS:

Exhibit 1 -- Existing Roads

Exhibit 2 -- Survey Plat: New or Reconstructed Roads Map: if road is outside 600' x 600'.

Exhibit 3 -- 1-mile Radius Map

Exhibit 4 -- Location of Existing and/or Proposed Production Facilities (Tank Battery)

Exhibit 5 -- Survey Plat: Infrastructure: roads, pipelines, power lines, frac pond

Exhibit 6 -- Rig Layout: Well Site Layout Map / Diagram

METES AND BOUNDS DESCRIPTION OF A
PROPOSED FLOWLINE
LOCATED IN SECTION 4, T24S-R27E
EDDY COUNTY, NEW MEXICO

HH NO 30 P1 FED 2H & 3H FLOWLINE

Survey of a proposed flowline 6,925.82 feet or419.75 rods in length crossing Bureau of Land Management land in Section 31, T24S-R27E, Eddy County, New Mexico.

COMMENCING at the Northwest corner of said Section 31, at a found 2" iron pipe; **THENCE** South 30 degrees 08 minutes 26 seconds East 408.81 feet to the **POINT OF BEGINNING**, Said **POINT OF BEGINNING** having the following coordinates: X= 529,855.91, Y= 429,131.69 (New Mexico State Plane Coordinate System, East Zone, NAD 27).

THENCE South 00 degrees 25 minutes 57 seconds East 382.03 feet;
THENCE South 62 degrees 31 minutes 39 seconds East 389.95 feet;
THENCE South 62 degrees 31 minutes 24 seconds East 827.87 feet;
THENCE South 66 degrees 53 minutes 08 seconds East 1,042.23 feet;
THENCE South 67 degrees 00 minutes 28 seconds East 958.92 feet;
THENCE North 83 degrees 28 minutes 57 seconds East 149.93 feet;
THENCE North 60 degrees 01 minutes 07 seconds East 214.41 feet;
THENCE North 80 degrees 40 minutes 43 seconds East 585.93 feet;
THENCE North 80 degrees 32 minutes 49 seconds East 842.49 feet;
THENCE North 00 degrees 43 minutes 30 seconds East 209.66 feet;
THENCE North 00 degrees 43 minutes 35 seconds East 404.54 feet;
THENCE North 00 degrees 42 minutes 27 seconds East 398.64 feet;
THENCE North 00 degrees 43 minutes 29 seconds East 161.48 feet;
THENCE North 00 degrees 47 minutes 01 seconds East 224.04 feet;
THENCE South 89 degrees 35 minutes 17 seconds West 133.72 feet to the **POINT OF ENDING**; Said **POINT OF ENDING** having the following coordinates: X= 534,408.57, Y= 429,158.83 (New Mexico State Plane Coordinate System, East Zone, NAD 27).

METES AND BOUNDS DESCRIPTION OF A
PROPOSED POWERLINE
LOCATED IN SECTION 4, T24S-R27E
EDDY COUNTY, NEW MEXICO

HH NO 30 P1 FED 2H & 3H POWERLINE

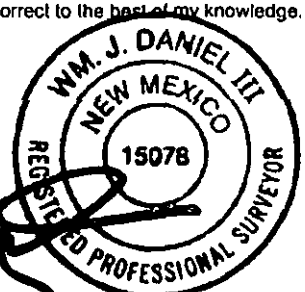
Survey of a proposed powerline 5,447.37 feet or 33.17 rods in length crossing Bureau of Land Management land in Section 31, T24S-R27E, Eddy County, New Mexico.

COMMENCING at the Northwest corner of said Section 31, at a found 2" iron pipe; **THENCE** South 30 degrees 59 minutes 18 seconds East 412.33 feet to the **POINT OF BEGINNING**, Said **POINT OF BEGINNING** having the following coordinates: X= 529,862.94, Y= 429,131.74 (New Mexico State Plane Coordinate System, East Zone, NAD 27).

THENCE South 00 degrees 07 minutes 32 seconds East 377.16 feet;
THENCE South 62 degrees 32 minutes 38 seconds East 1,215.65 feet;
THENCE South 66 degrees 52 minutes 52 seconds East 805.94 feet;
THENCE South 66 degrees 56 minutes 41 seconds East 409.10 feet;
THENCE South 67 degrees 00 minutes 30 seconds East 785.50 feet;
THENCE North 83 degrees 07 minutes 56 seconds East 146.41 feet;
THENCE North 59 degrees 55 minutes 07 seconds East 211.61 feet;
THENCE North 80 degrees 35 minutes 56 seconds East 838.20 feet;
THENCE North 80 degrees 32 minutes 05 seconds East 590.74 feet;
THENCE North 80 degrees 32 minutes 17 seconds East 67.06 feet to the **POINT OF ENDING**; Said **POINT OF ENDING** having the following coordinates: X= 534,587.48, Y= 427,779.27 (New Mexico State Plane Coordinate System, East Zone, NAD 27).

The above descriptions represent a surveys made on the ground for a Right of Way easement and intended solely for that purpose. Descriptions do not represent a boundary survey.

FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, WM. J. Daniel III, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.



WM. J. Daniel III
Registration No. 15078

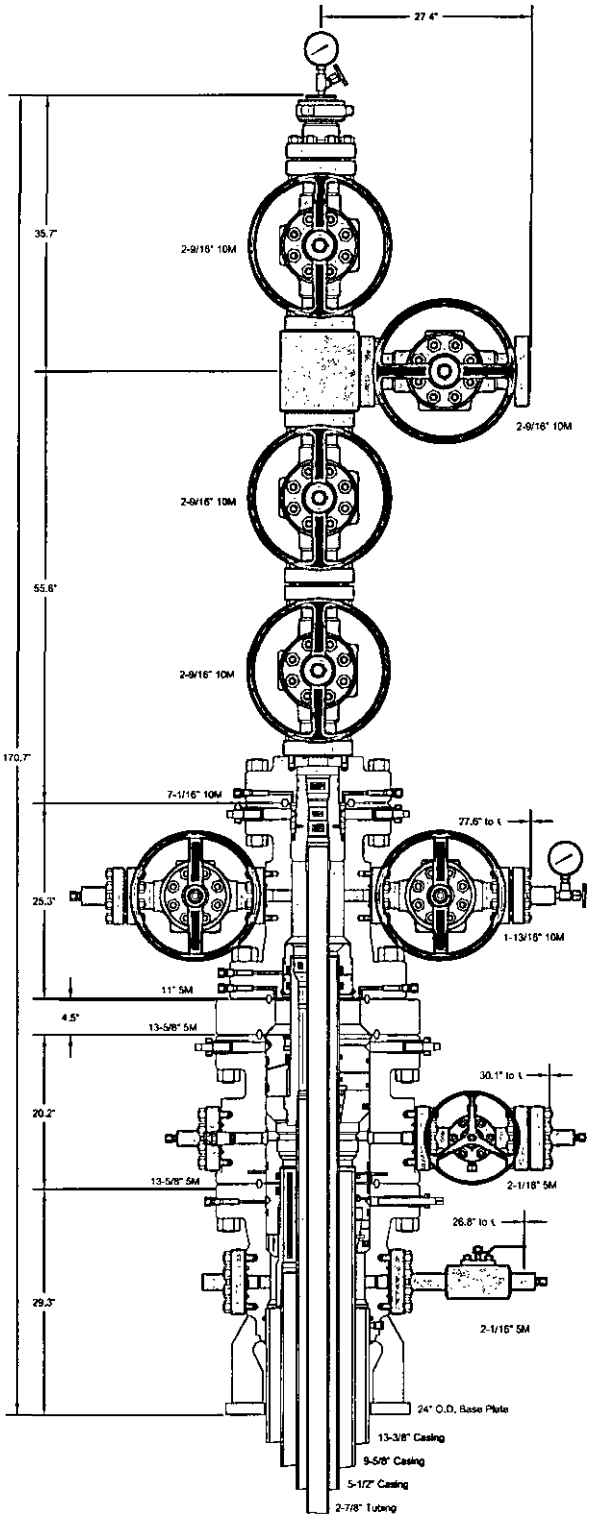
FENSTERMAKER
135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

CHEVRON U.S.A. INC.

PROPOSED FLOWLINE & POWERLINE
HH NO 30 P1 FED NOS. 2H & 3H
SECTION 31, T24S-R27E
EDDY COUNTY, NEW MEXICO

DRAWN BY: BOR	REVISIONS		
PROJ. MGR.: GDG	No.	DATE:	REVISED BY:
DATE: 01/05/2015	No.	DATE:	REVISED BY:
FILENAME: T:\2014\2148518\DWG\HH NO 30 P1 FED 2H & 3H Flowline_Utility SUP.dwg			

GE Oil & Gas

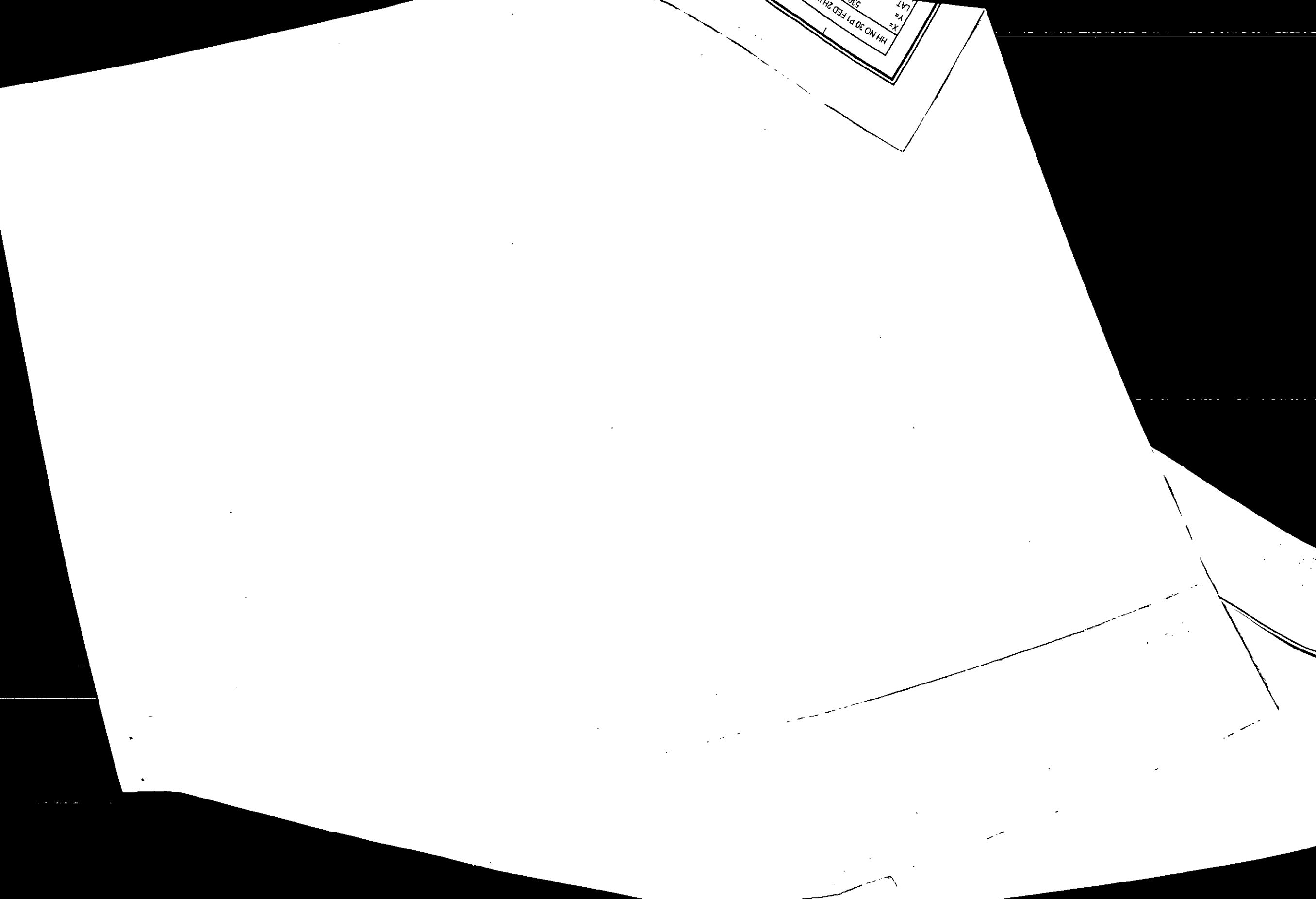


CHEVRON USA, INC.
DELAWARE BASIN

13-3/8" x 9-5/8" x 5-1/2" x 2-7/8" 10M SH2/Conventional Wellhead Assembly, With DSA, T-EBS-F Tubing Head, T-EN Tubing Hanger and A5PEN Adapter Flange

DRAWN	VJK	19MAR13
APPRV	KN	19MAR13

FOR REFERENCE ONLY
DRAWING NO. AE23705


HH NO 30 Pt FEO 2H
X=
Y=
LAT

HH NO 30 P1 FED 2H WELL		NW ARCH. AREA CORNER	NE ARCH. AREA CORNER	SE ARCH. AREA CORNER	SW ARCH. AREA CORNER
X=	530,026 NAD 27	X= 529,736 NAD 27	X= 530,336 NAD 27	X= 530,340 NAD 27	X= 529,740 NAD 27
Y=	429,313	Y= 429,596	Y= 429,600	Y= 429,000	Y= 428,996
LAT.	32.180261	ELEVATION +3397' NAVD 88	ELEVATION +3384' NAVD 88	ELEVATION +3397' NAVD 88	ELEVATION +3409' NAVD 88
LONG.	104.236285	NW PAD CORNER	NE PAD CORNER	SE PAD CORNER	SW PAD CORNER
X=	571,208 NAD83	X= 529,839 NAD 27	X= 530,235 NAD 27	X= 530,237 NAD 27	X= 529,842 NAD 27
Y=	429,370	Y= 429,462	Y= 429,464	Y= 429,135	Y= 429,132
LAT.	32.180380	ELEVATION +3398' NAVD 88	ELEVATION +3389' NAVD 88	ELEVATION +3406' NAVD 88	ELEVATION +3397' NAVD 88
LONG.	104.236783				
ELEVATION +3397' NAVD 88					

FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, WM. J. Daniel III, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.

WM. J. DANIEL III
NEW MEXICO
15078
REGISTERED PROFESSIONAL SURVEYOR

WM. J. Daniel III
Registration No. 15078

Sec. 30

State of New Mexico

PROPOSED ARCHAEOLOGICAL AREA ±5.27 Acres

600'

Fnd. 2" Iron Pipe

PROPOSED PAD ±2.99 Acres

150'

25'

185'

210'

330'

600'

HH NO 30 P1 FED No. 2H Well
175' FNL, 375' FWL

180'

305'

T24S-R26E
T24S-R27E

Sec. 31

Bureau of Land Management

±853.75', ±51.74 Rods, ±0.13 Acre

PROPOSED ACCESS ROAD 14' x ± 853.75' ±0.13 Acres ±51.74 Rods

Existing Lease Road

LEGEND

- Section Line
- Existing Road
- Found Occupation

NAD 27, NEW MEXICO EAST ZONE

NOTE:
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DISCLAIMER: At this time, C.H. Fenstermaker & Associates, LLC has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

CHEVRON U.S.A. INC.

PROPOSED PAD AND ACCESS ROAD
HH NO 30 PI FED 2H WELL
SECTION 31, T24S-R27E
EDDY COUNTY, NEW MEXICO

FENSTERMAKER
135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

SCALE : 1"=100'

100' 0 50' 100'

DRAWN BY: GDG	REVISIONS		
PROJ. MGR.: GDG	No. #	DATE:	REVISED BY:
DATE: NOV 11, 2014	No. #	DATE:	REVISED BY:
FILENAME: T:2014\2148331\DWG\HH NO 30 P1 FED 2H SUP.DWG			

R 27 E

Calculated Corner

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Proposed
White City
30 24 27 FED
1H Pad & Facility

PROPOSED FLOWLINE
POINT OF ENDING
(NAD 27)
X= 534,408.57
Y= 429,158.83

PROPOSED POWERLINE
POINT OF ENDING
(NAD 27)
X= 534,587.48
Y= 427,779.27

PROPOSED POWERLINE		
COURSE	BEARING	DISTANCE
8	N 80° 35' 56" E	838.20'
9	N 80° 32' 05" E	590.74'
10	N 80° 32' 17" E	67.06'

PROPOSED FLOWLINE		
COURSE	BEARING	DISTANCE
8	N 80° 40' 43" E	585.93'
9	N 80° 32' 49" E	842.49'
10	N 00° 43' 30" E	209.66'
11	N 00° 43' 35" E	404.54'
12	N 00° 42' 27" E	398.64'
13	N 00° 43' 29" E	161.48'
14	N 00° 47' 01" E	224.04'
15	S 89° 35' 17" W	133.72'

PROPOSED FLOWLINE
±6,925.82'
±419.75 Rods

PROPOSED POWERLINE
±8,447.37'
±33.17 Rods

T 24 S

Sec. 31

Bureau of Land Management

MATCH LINE

Old Cavern Hwy (748)

Existing R.O.W.

Existing Lease Road

Existing Powerline

LEGEND
- P — Proposed Powerline
- Found Occupation
- Section Line
- Proposed Flowline
- Existing Road
- Existing R O W

NAD 27 NEW MEXICO EAST ZONE

Scale: 1"=400'
400' 0 200' 400'

FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, WM. J. Daniel III, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.

WM. J. DANIEL III NEW MEXICO 15078 REGISTERED PROFESSIONAL SURVEYOR

WM. J. Daniel III
Registration No. 15078

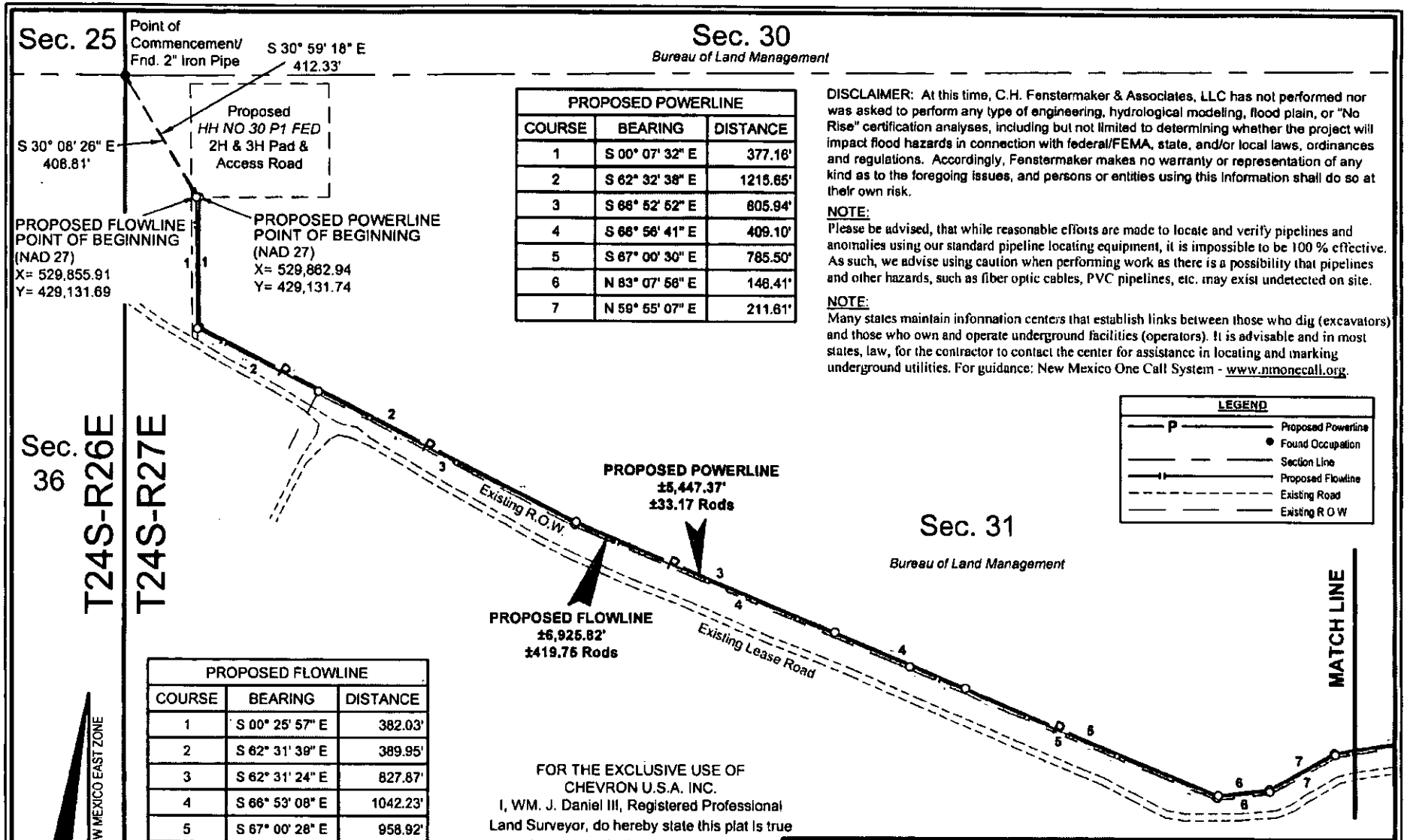
CHEVRON U.S.A. INC.

PROPOSED FLOWLINE & POWERLINE
HH NO 30 P1 FED NOS. 2H & 3H
SECTION 31, T24S-R27E
EDDY COUNTY, NEW MEXICO

FENSTERMAKER
135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax: 337-232-3299
www.fenstermaker.com

DRAWN BY: BOR	REVISIONS		
PROJ. MGR.: GDG	No.	DATE:	REVISED BY:
DATE: 01/05/2015	No.	DATE:	REVISED BY:

FILENAME: T:\2014\2149518\DWG\HH NO 30 P1 FED 2H & 3H Flowline_Utility SUP.dwg



PROPOSED POWERLINE		
COURSE	BEARING	DISTANCE
1	S 00° 07' 32" E	377.16'
2	S 62° 32' 38" E	1215.65'
3	S 66° 52' 52" E	805.94'
4	S 66° 56' 41" E	409.10'
5	S 67° 00' 30" E	785.50'
6	N 83° 07' 56" E	146.41'
7	N 59° 55' 07" E	211.61'

PROPOSED FLOWLINE		
COURSE	BEARING	DISTANCE
1	S 00° 25' 57" E	382.03'
2	S 62° 31' 39" E	389.95'
3	S 62° 31' 24" E	827.87'
4	S 66° 53' 08" E	1042.23'
5	S 67° 00' 28" E	958.92'
6	N 83° 28' 57" E	149.93'
7	N 60° 01' 07" E	214.41'

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I, WM. J. Daniel III, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.

WM. J. DANIEL III NEW MEXICO 15078 REGISTERED PROFESSIONAL SURVEYOR

Wm. J. Daniel III
Registration No. 15078

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CHEVRON U.S.A. INC.

PROPOSED FLOWLINE & POWERLINE
HH NO 30 P1 FED NOS. 2H & 3H
SECTION 31, T24S-R27E
EDDY COUNTY, NEW MEXICO

DRAWN BY: BOR	REVISIONS		
PROJ. MGR.: GDG	No.	DATE:	REVISED BY:
DATE: 01/05/2015	No.	DATE:	REVISED BY:
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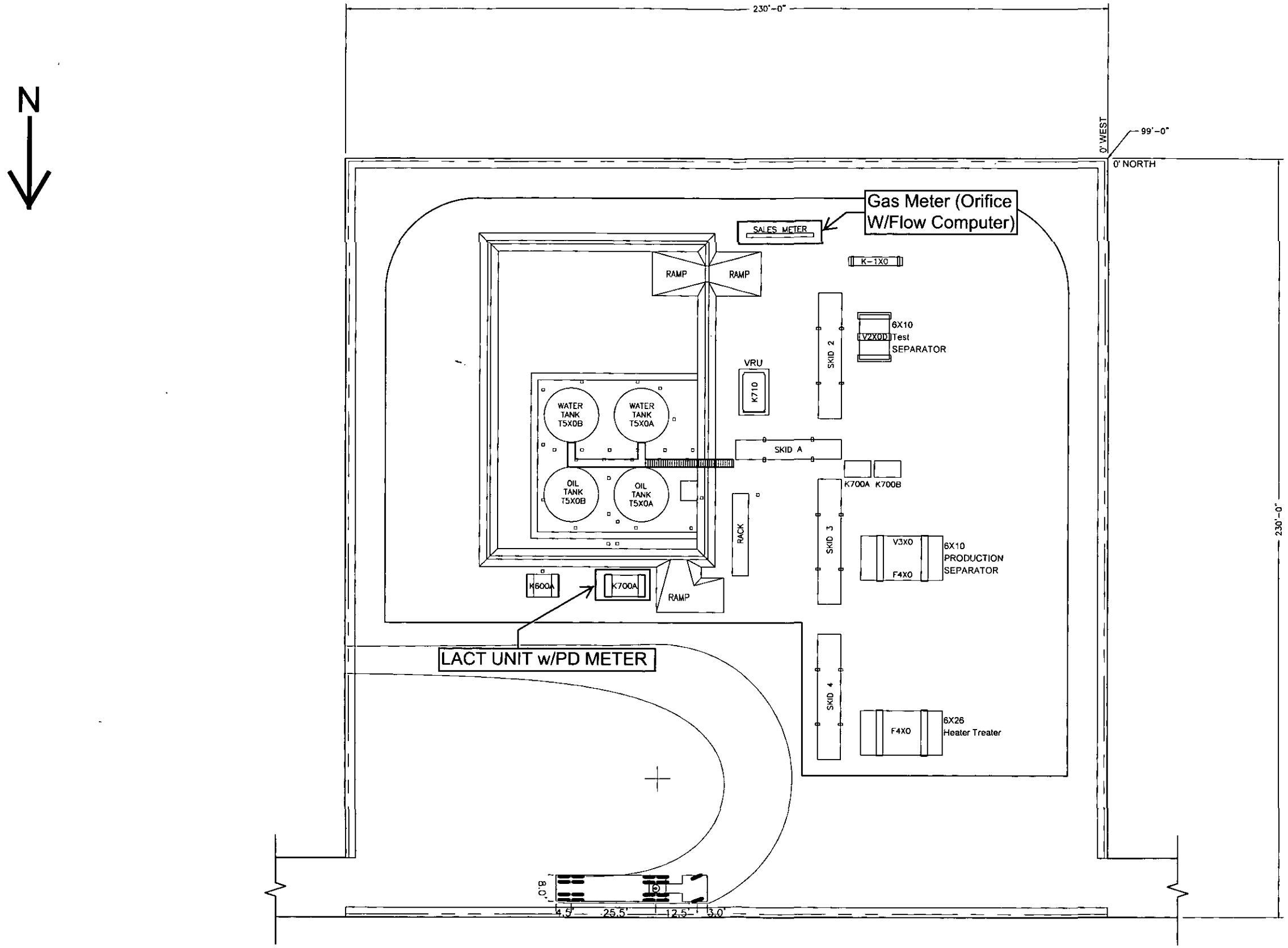


PLOT PLAN - 1 TRAIN / 4 TANK

SCALE: 1/16" = 1'-0"

REVISIONS

Chevron U.S.A. Inc.

White City 30 CTB - NENE Sec. 31-T24S-R27E

PLOT DATE: 11/11/2014 (1:2.1

FB-FDN-2001-1

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Chevron USA, Inc
LEASE NO.:	NMNM116027
WELL NAME & NO.:	HH NO 30 P1 Fed 2H
SURFACE HOLE FOOTAGE:	175'/N & 375'/W
BOTTOM HOLE FOOTAGE	250'/N & 400'/W Sec. 30
LOCATION:	Section 31, T.24 S., R.27 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Avian Protection
Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all power line structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. The holder without liability or expense shall make such modifications and/or additions to the United States.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:
In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:
No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:
The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms:
Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:
A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:
Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:
Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:
Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:
ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:
Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

Powerlines:
Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features. The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer. Special restoration stipulations or realignment may be required.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching
Ditching shall be required on both sides of the road.

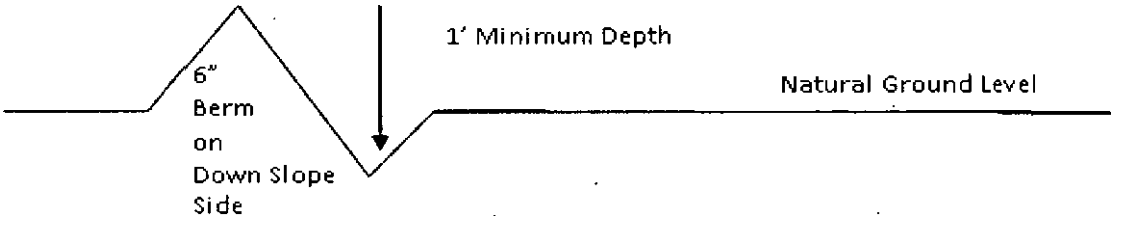
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%} + 100' = 200'$ lead-off ditch interval

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

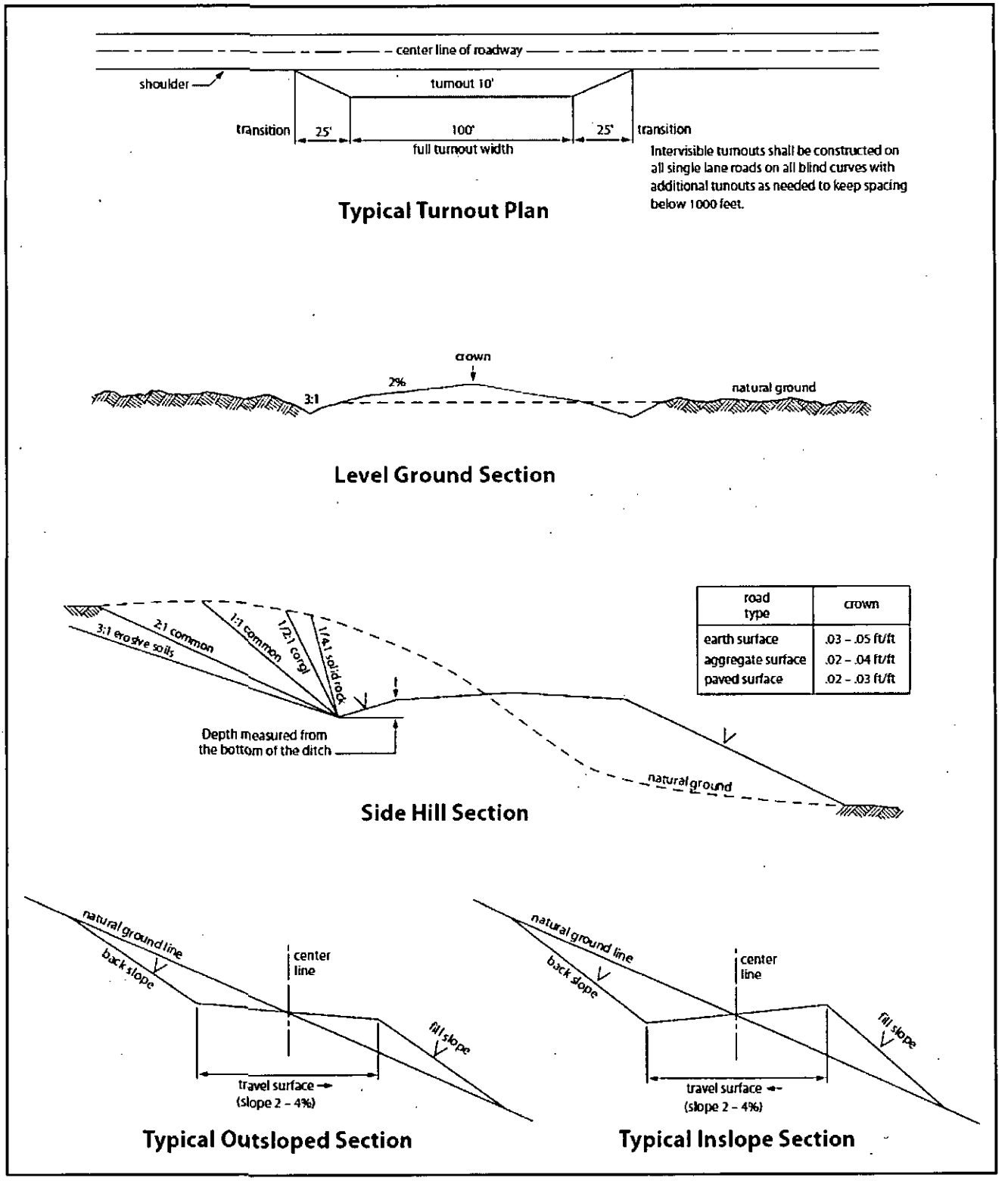


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS 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

1. **Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.**

2. 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. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.**

3. 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 is located, this does not include the dog house or stairway area.

4. **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.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. 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.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possibility of water flows in the Salado and Castile.
Possibility of lost circulation in the Delaware.

A MINIMUM OF TWO CASING STRINGS CEMENTED TO SURFACE IS REQUIRED IN HIGH CAVE/KARST AREAS. THE CEMENT MUST BE IN A SOLID SHEATH. THEREFORE, ONE INCH OPERATIONS ARE NOT SUFFICIENT TO PROTECT CAVE KARST RESOURCES. A CASING DESIGN THAT HAS A ONE INCH JOB PERFORMED DOES NOT COUNT AS A SOLID SHEATH. ON A THREE STRING DESIGN; IF THE PRIMARY CEMENT JOB ON THE SURFACE CASING DOES NOT CIRCULATE, THEN THE NEXT TWO CASING STRINGS MUST BE CEMENTED TO SURFACE.

1. The **13-3/8** inch surface casing shall be set at approximately **500** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**
    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 is to include the lead cement slurry.

    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 surface casing shall be set at approximately **2160** feet. The minimum required fill of cement behind the intermediate casing is:

☒ 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.**

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
   ☒ Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification

4. 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.

C. 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. Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. 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. Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.
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.

4. 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. 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 (18 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).

   c. 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.

   d. The results of the test shall be reported to the appropriate BLM office.

   e. 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.**

   f. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. 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.

TMAK 041516

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install

effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES
STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES
A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (*see* 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the

Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.

4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;

b. Activities of other parties including, but not limited to:
   (1) Land clearing
   (2) Earth-disturbing and earth-moving work
   (3) Blasting
   (4) Vandalism and sabotage;

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of **24** inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b.

A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply

with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:
- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 1 for Loamy Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed shall be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre shall be doubled. The seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Plains lovegrass (Eragrostis intermedia)	0.5
Sand dropseed (Sporobolus cryptandrus)	1.0
Sideoats grama (Bouteloua curtipendula)	5.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed

NMOCD CONDITION OF APPROVAL

The *New!* Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.