

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM100549

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
HH SO 8 5 Fed 0038. Well Name and No.
6 H
~~Multiple-See Attached~~9. API Well No. **30-015-45120**
~~Multiple-See Attached~~10. Field and Pool or Exploratory Area
PURPLE SAGE-WOLFCAMP (GAS)

11. County or Parish, State

EDDY COUNTY, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CHEVRON USA INCORPORATED

Contact: LAURA BECERRA

E-Mail: LBECERRA@CHEVRON.COM

3a. Address

6301 DEAUVILLE BLVD
MIDLAND, TX 79706

3b. Phone No. (include area code)

Ph: 432-687-7665

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple-See Attached

Carlsbad Field Office12. CHECK THE **NMOC Artesia** TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original A |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | PD |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

We are requesting a variance to the original APD to use the spudder rig to pre-set surface casing.
The drilling rig is estimated to continue drilling operations 10/23/2018.

This request applies to the following wells on this pad:

HH SO 8 5 FED 003 1H - 30-015-45115
HH SO 8 5 FED 003 2H - 30-015-45116
HH SO 8 5 FED 003 3H - 30-015-45117
HH SO 8 5 FED 003 4H - 30-015-45118
HH SO 8 5 FED 003 5H - 30-015-45119
HH SO 8 5 FED 003 6H - 30-015-45120

RECEIVED

SEP 12 2018

DISTRICT II-ARTESIA O.C.D.

GC 9-12-18
Accepted for record - NMOCSEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #432040 verified by the BLM Well Information System

For CHEVRON USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by PRISCILLA PEREZ on 08/27/2018 (18PP2527SE)

Name (Printed/Typed) LAURA BECERRA

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 08/21/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USEApproved By ZOTIA STEVENS

Title PETROLEUM ENGINEER

Date 09/10/2018

Conditions of approval, if any, are attached. Approval of this notice 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.

Office Carlsbad

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #432040 that would not fit on the form

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|------------|------------|-----------------------|--------------------|---|
| NMNM100549 | NMNM100549 | HH SO 8 5 FED 003 1H | 30-015-45115-00-X1 | Sec 17 T26S R27E NENW 629FNL 2308FWL 32.048035 N Lat, 104.213425 W Lon |
| NMNM100549 | NMNM100549 | HH SO 8 5 FED 003 2H | 30-015-45116-00-X1 | Sec 17 T26S R27E NENW 604FNL 2308FWL 32.048103 N Lat, 104.213425 W Lon |
| NMNM100549 | NMNM100549 | HH SO 8 5 FED 003 3H | 30-015-45117-00-X1 | Sec 17 T26S R27E NENW 579FNL 2309FWL 32.048172 N Lat, 104.213425 W Lon |
| NMNM100549 | NMNM100549 | HH SO 8 5 FED 003 4H | 30-015-45118-00-X1 | Sec 17 T26S R27E NENW 554FNL 2309FWL 32.048241 N Lat, 104.213425 W Lon |
| NMNM100549 | NMNM100549 | HH SO 8 5 FED 003 5H | 30-015-45119-00-X1 | Sec 17 T26S R27E NENW 529FNL 2310FWL 32.048309 N Lat, 104.213417 W Lon |
| NMNM100549 | NMNM100549 | HH SO 8 5 FED 003 6H | 30-015-45120-00-X1 | Sec 17 T26S R27E NENW 504FNL 2310FWL 32.048378 N Lat, 104.213417 W Lon |

32. Additional remarks, continued

See attachments for detailed program and rig layout.

Chevron U.S.A. Inc. (CUSA)
SUNDRY ATTACHMENT: SPUDDER RIG

DATA OPERATOR NAME: Chevron U.S.A. Inc.

1. SUMMARY OF REQUEST:

CUSA respectfully requests approval for the following operations for the surface hole in the drill plan:

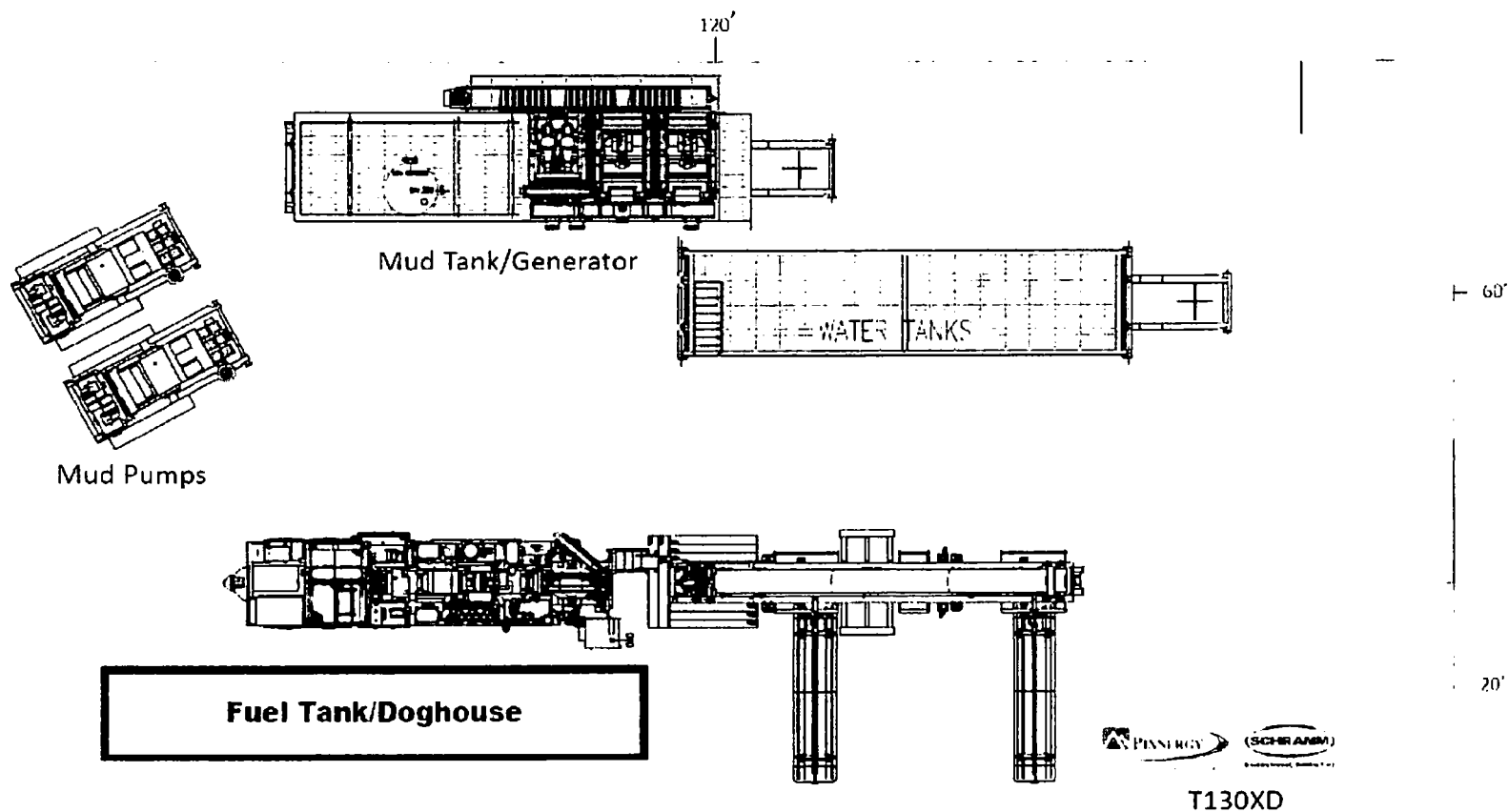
1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations

1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run casing and cement following all the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and then tested offline after the WOC time has been reached.
3. An abandonment cap at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on one wing-valve.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. Spudder rig operations are expected to take 2-3 days per well on the pad.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nipped up and tested on the wellhead before drilling operations resume on each well.
 - a. The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
7. CUSA will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, CUSA will secure the wellhead area by placing a guard rail around the cellar area.

| Pad Name | Well No. | Surface Rig Start | Surface Rig Finish | Surface Rig Duration (Days) | Larger Dev Rig Spud Date | Well Status | Days Between Rigs | APD Approved | APD Expires | Lease Status |
|-------------------------|-----------------|------------------------------|-----------------------------------|--|---|------------------------|----------------------------------|-------------------------|------------------------|--|
| SD EA 18 19 FED P14 | 12H – 15H | 5/4/2018 | 5/12/2018 | 8 | 3/25/2019 | SI | 317 | 10/11/2017 | 10/11/2019 | Held by production by existing producing wells |
| SD EA 18 19 FED COM P13 | 8H – 11H | 5/12/2018 | 5/20/2018 | 8 | 2/22/2019 | SI | 278 | 9/28/2017 | 9/28/2019 | Held by production by existing producing wells |
| SD EA 29 32 FED COM P10 | 17H – 20H | 5/20/2018 | 5/28/2018 | 8 | 10/4/2018 | SI | 129 | 2/8/2018 | 2/8/2020 | Held by production by existing producing wells |
| SD EA 29 32 FED COM P11 | 13H – 16H | 5/28/2018 | 6/5/2018 | 8 | 11/6/2018 | SI | 154 | 12/20/2017 | 12/20/2019 | Held by production by existing producing wells |

Surface Rig Layout



PECOS DISTRICT CONDITIONS OF APPROVAL

| | |
|------------------------------|---|
| OPERATOR'S NAME: | Chevron USA Incorporated |
| LEASE NO.: | NMNM118108 |
| WELL NAME & NO.: | HH SO 8 5 Fed 003 Multi-Wells Pad |
| SURFACE HOLE FOOTAGE: | |
| BOTTOM HOLE FOOTAGE: | |
| LOCATION: | Section 17, T.26 S., R.27 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

All COAs still apply expect the following:

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. Operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

ZS 091018