

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 11 2020

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS**
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.
NMNM121473

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
NMNM137168X

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
CICADA UNIT 27H

2. Name of Operator

CHEVRON USA INCORPORATED

Contact: LAURA BECERRA

E-Mail: LBECERRA@CHEVRON.COM

9. API Well No.
30-015-46468-00-X1

3a. Address

6301 DEAUVILLE BLVD
MIDLAND, TX 79706

3b. Phone No. (include area code)

Ph: 432-687-7665

10. Field and Pool or Exploratory Area
PURPLE SAGE-WOLFCAMP (GAS)

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

Sec 3 T26S R27E SWSE 885FSL 1550FEL
32.066319 N Lat, 104.174866 W Lon

11. County or Parish, State

EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) 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	Onshore Order Variance
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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.

Chevron respectfully requests the following changes to the originally approved APDs:

- A variance from the Onshore Order 2 where it states "A full BOP Test shall be performed: when initially installed and whenever any seal subject to test pressure is broken." We propose to break test if able to finish the next hole section within 21 days of the previous full BOP test. No BOP components nor any break will ever surpass 21 days between testing. A break test will not be performed on our last production section. A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized. A summary of the changes is attached.

- A variance to drill the surface (previously approved on APD) and the first intermediate hole sections with the surface rig, drilling summary attached.

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

**Electronic Submission #500194 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/24/2020 (20PP1009SE)**

Name (Printed/Typed) LAURA BECERRA

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 01/22/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By NDUNGU KAMAU

Title PETROLEUM ENGINEER

Date 03/03/2020

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 ****Accepted REP
3-18-20

Additional data for EC transaction #500194 that would not fit on the form

32. Additional remarks, continued

- The utilization of RCD minimum rated to 500 psi to perform FIT/LOT and for diverting if shallow water flow is encountered in the first intermediate section. RCD elements will be visually inspected (replaced if necessary) when removed while tripping out of the hole to prepare to run 9 5/8" intermediate casing. Testing plan is attached.

This request applies to the following wells on this pad:

CICADA UNIT 27H - 30-015-46468

CICADA UNIT 28H - 30-015-46469

CICADA UNIT 29H - 30-015-46470

**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	CHEVRON USA INCORPORATED
LEASE NO.:	NMNM118722
LOCATION:	Section 3, T.26 S., R.27 E., NMPM
COUNTY:	Lea County, New Mexico

WELL NAME & NO.:	Cicada Unit 27H
SURFACE HOLE FOOTAGE:	885'/S & 1500'/E
BOTTOM HOLE FOOTAGE:	280'/S & 330'/E

WELL NAME & NO.:	Cicada Unit 28H
SURFACE HOLE FOOTAGE:	860'/S & 1550'/E
BOTTOM HOLE FOOTAGE:	280'/S & 1170'/E

WELL NAME & NO.:	Cicada Unit 29H
SURFACE HOLE FOOTAGE:	835'/S & 1550'/E
BOTTOM HOLE FOOTAGE:	50'/S & 792'/E

ALL PREVIOUS COAs STILL APPLY.

A. SPECIAL REQUIREMENT (S)

BOP Break Testing Variance (Note: For 5M BOP or less)

- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOP Break Testing operations.
- A full BOP test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOP test will be required.

Delaware Basin Changes to APD/COA for Federal Well



Well Names:

Well Name	
Cicada Unit	27H
Cicada Unit	28H
Cicada Unit	29H

Rig: Patterson 257

CVX CONTACT:

Hannah Wardo
Drilling and Completions Engineer

MidContinent Business Unit
Chevron North America Exploration & Production
1400 Smith St, Rm 43-174, Houston, TX 77002
Mobile: 832.963.9814
Office: 713.372.9032
Email: Hannah.Wardo@chevron.com

Original APD Submission

Chevron will have a minimum of 5,000 psi rig stack (see proposed schematic) for drill out below surface casing. The stack will be tested as specified in the attached testing requirements. Batch drilling of the surface, intermediate, and production will take place. A full BOP test will be performed per hole section, unless approval from BLM is received otherwise. Flex choke hose will be used for all wells on the pad (see attached specs and variance). BOP test will be conducted by a third party.

Summary of Changes to APD Submission

Break Test Sundry

Chevron respectfully request to vary from the Onshore Order 2 where it states:

"(A full BOP Test) shall be performed: when initially installed and whenever any seal subject to test pressure is broken."

We propose to break test if able to finish the next hole section within 21 days of the previous full BOP test. No BOP components nor any break will ever surpass 21 days between testing. A break test will consist of a 250 psi low / $\geq 5,000$ psi high for 10 min each test against the connection that was broken when skidding the rig. Upon the first nipple up of the pad a full BOP test will be performed. A break test will not be performed on our last production section. A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized.

See drilling sequence below in red where it indicates the potential hole sections break testing can be performed given they meet the above criteria.

	27H	28H	29H
Surface	3	2	1
Intermediate	4	5	6
Intermediate 2	9	8	7
Production	10	11	12

Drilling Surface & Intermediate Sundry

Chevron proposes to drill both surface and the first intermediate hole sections with the surface rig. The surface hole size shall be either 17.5" or 16".

The set depth of the intermediate 1 hole section is 75' from the base of the castile or into the Lamar, dependent upon mud logger samples.

Hole Section	Surface	Intermediate
Top	0'	0'
Bottom	450'	~2,200'
Hole Size	17-1/2" to 16"	12-1/4"
Csg Size	13-3/8"	9-5/8"
Weight	54.5 #	40#
Grade	J-55	L-80
Thread	BTC/STC	BTC/LTC

RCD Sundry

Chevron proposes utilization of RCD minimum rated to 500 psi to perform FIT/LOT and for diverting if shallow water flow is encountered in the first intermediate section. RCD elements will be visually inspected (replaced if necessary) when removed while tripping out of the hole to prepare to run 9 5/8" intermediate casing.

Test plan:

RCD element will be installed before estimated top of cement inside 13 3/8" surface casing is tagged. Once cement is tagged, pick up off bottom and close orbit valve. Pump 2-3 spm with mud pumps down the drill-string and perform positive pressure test of the RCD, Orbit valve and spool connection against the cement and 13 3/8" casing to 500psi for 5 min. Pressure decrease shall not exceed 10% of the test pressure.

Expected pore pressure table listed below:

Formation	TVD Depth (ft)	Expected Pore Pressure		
		Min (ppg)	Mid (ppg)	Max (ppg)
Alluvium	0			
Rustler	50	0.1	0.1	0.1
Salado	300	3.7	4.9	6.1
Castille	850	6.6	7.0	7.5
Lamar LS	2264	7.7	7.9	8.1

$$\text{Max Surf Pressure} = (\text{pore pressure} * 2264' * .052) - (.22 * \text{TVD})$$

$$\text{Min Pressure} = 408 \text{ psi}$$

$$\text{Mid Pressure} = 432 \text{ psi}$$

$$\text{Max Pressure} = 455 \text{ psi}$$

The intermediate section will be drilled with saturated brine (9.5 – 10.2 ppg). The brine weights exceed the max expected pore pressure of the interval.