Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED
JAN 04 2016

5. Lease Serial No.
NMNM27506

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
SALADO DRAW 29 26 33 FED COM 2H ✓

2. Name of Operator
CHEVRON USA INCORPORATED ✓
Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

9. API Well No.
30-025-42637-00-X1 ✓

3a. Address
15 SMITH ROAD
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-263-0445

10. Field and Pool, or Exploratory
WC-025 G06 S263319P

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 29 T26S R33E NWNW 200FNL 1308FWL ✓

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 USA INC REQUESTS APPROVAL FOR THE FOLLOWING WRITTEN PROCEDURE:
CHEVRON'S ENGINEER VICENTE RUIZ HAS BEEN IN CONTACT WITH CHRIS WALLS AND EDWARD FERNANDEZ VIA EMAIL ON THE ABOVE WELL.

CHEVRON RESPECTFULLY REQUESTS TO CEMENT THE 7 5/8" CONTINGENCY LINER DUE TO A WATER FLOW, THIS STRING IS IN ADDITION TO WHAT IS INDICATED IN THE APPROVED APD. THE CONTIGENCY STRING WILL COVER THE BONE SPRING AND DELAWARE SANDS AND WILL BE SET FROM ~9,302' TO INSIDE THE INTERMEDIATE CASING SHOE OF ~4,500.' THE CEMENT DESIGN WILL CONSIST OF WHAT IS CURRENTLY BEING PUMPED FOR THE PRODUCTION HOLE. THE HOLE SECTION FOR THE LATERAL WILL CHANGE FROM A 8 3/4" HOLE SECTION TO A 6 3/4" HOLE SECTION. A 5" CASING WILL BE RUN IN THE LATERAL SECTION AND WILL COMPLY WITH THE .422 CASING CLEARANCE; WHICH ORIGINAL PLAN WAS 5 5/12".
ATTACHED IS A COPY OF A WELLBORE DIAGRAM AND CHANGES TO APD.

See ATTACHED

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #327465 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by ED FERNANDEZ on 12/30/2015 (16EF0007SE)

Name *(Printed/Typed)* CINDY H MURILLO — Title PERMITTING SPECIALIST

Signature (Electronic Submission) — Date 12/30/2015

APPROVED
DEC 30 2015
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ — Title PETROLEUM ENGINEER — Date 12/30/2015

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 Hobbs

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.

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

JAN 06 2016

Fernandez, Edward <efernand@blm.gov> Dec 25 (5 days ago)
to Vicente

Salado 29 26 33 Fed Com -2H (API# 30-025-42637)

Thanks for the detail information well presented.

Chevron's proposal is approved as written, You have approval to run the 7-5/8" Contingency Liner as described. You are also approved to continue drilling out with 6-3/4" hole and running the 5-1/2" casing in the lateral and cemented as proposed.

You will be required to run a liner test on the 7-5/8" contingency liner as stated in onshore order #2. Document this test and submit on a subsequent sundry.

As indicated in my previous email Chevron will be required to submit the same information on an NOI Sundry using the electronic WIS system on Monday December 28. This is the condition of going forward with this approval.

Additional data for EC transaction #327465 that would not fit on the form

32. Additional remarks, continued

** VERBAL APPROVAL WAS GIVEN TO CHEVRON ON 12/25/2015 BY BLM. ***

Delaware Basin
Changes to APD for Federal Well

Well Name: Salado Draw 29-26-33 Fed Com #2H

API Well No.: 30-025-42637

Rig: Nabors X30

CVX CONTACT:

VICENTE RUIZ
DRILLING ENGINEER
1400 SMITH ST.
HOUSTON, TX 77002

DESK: HOU140/43-104
CELL: 713-898-5436
EMAIL: VRUIZ@CHEVRON.COM

Summary of Changes to APD Submission

1. 7-5/8" Contingency Liner
2. 7-5/8" Contingency Liner Cement Slurry Design
3. 6-3/4" Hole Section
4. 5" Contingency Production Casing
5. 5" Contingency Production Cement Slurry Design

Summary: Chevron respectfully requests to cement the 7-5/8" contingency liner due to a water flow, this string is in addition to what is indicated in the approved APD. The contingency string will cover the BoneSpring and Delaware sands and will be set from ~9,302' to inside the intermediate casing shoe of ~4,500'. The cement design will consist of what is currently being pumped for the production hole. The hole section for the lateral will change from a 8-3/4" hole section to a 6-3/4" hole section. A 5" casing will be ran in the lateral section and will comply with the .422 casing clearance; which original plan was 5-1/2".

1.

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Int. Cont.	4,500'	9,302'	8-3/4"	7-5/8"	29.7#	P-110	TSH513	New

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Int. Contingency	2.43	4.32	2.08	2.63

2.

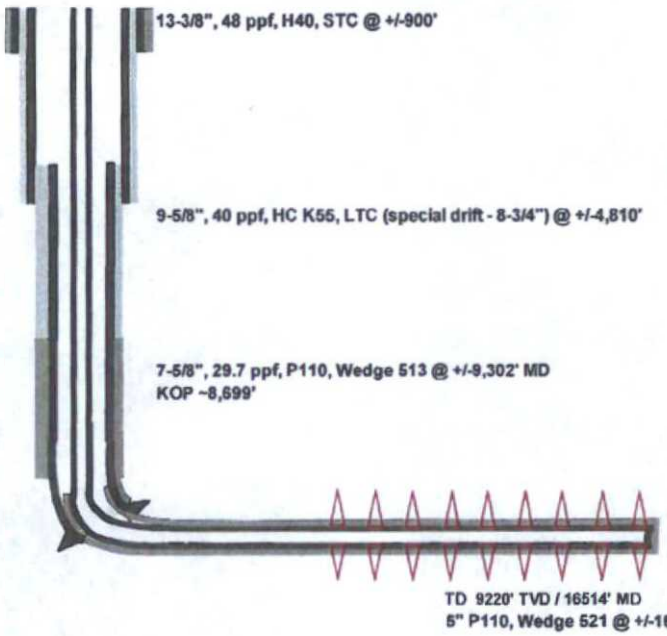
Changes to APD for contingency string:

Lead 1 Slurry:
Density:11.5 ppg
Yield: 2.66ft^3/sk
Sacks: 193 sks
Water: 15.563 gal/sk
Excess: 20%
Coverage: 4,500' – 8,500'

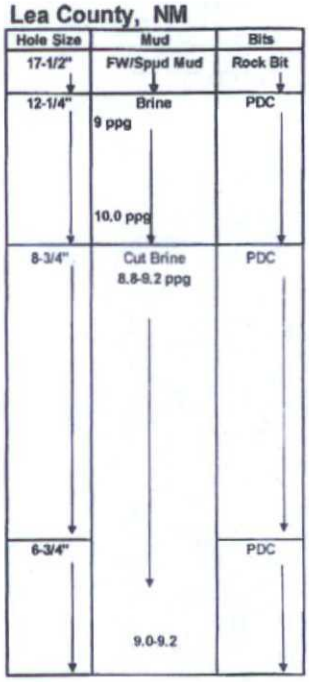
Lead 2 Slurry:
Density:12.5 ppg
Yield: 1.60ft^3/sk
Sacks: 86 sks
Water: 8.614 gal/sk
Excess: 20%
Coverage: 8,500' – 9,303'

4 Hole Sections

Salado Draw 29-2H
Drilling Program "Quick-Look"



Lea County, NM



3.

Original plan was to drill a three hole section wellbore, and will not be changed to a 4 hole section string.

4.

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Prod Csg	0'	16519	6-3/4"	5"	18#	P-110	TSH521	New

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Pro Csg	1.55	2.64	2.13	1.63

5. .

Changes to APD for production string:

Lead 1 Slurry:

Density:11.5 ppg

Yield: 2.66ft^3/sk

Sacks: 257 sks

Water: 15.576 gal/sk

Excess: 20%

Coverage: 3,900' – 8,500'

Lead 2 Slurry:

Density:12.5 ppg

Yield: 1.60ft^3/sk

Sacks: 596 sks

Water: 8.625 gal/sk

Excess: 20%

Coverage: 8,500' – 15,514'

Tail Slurry

Density:15.0 ppg

Yield: 2.18ft^3/sk

Sacks: 100 sks

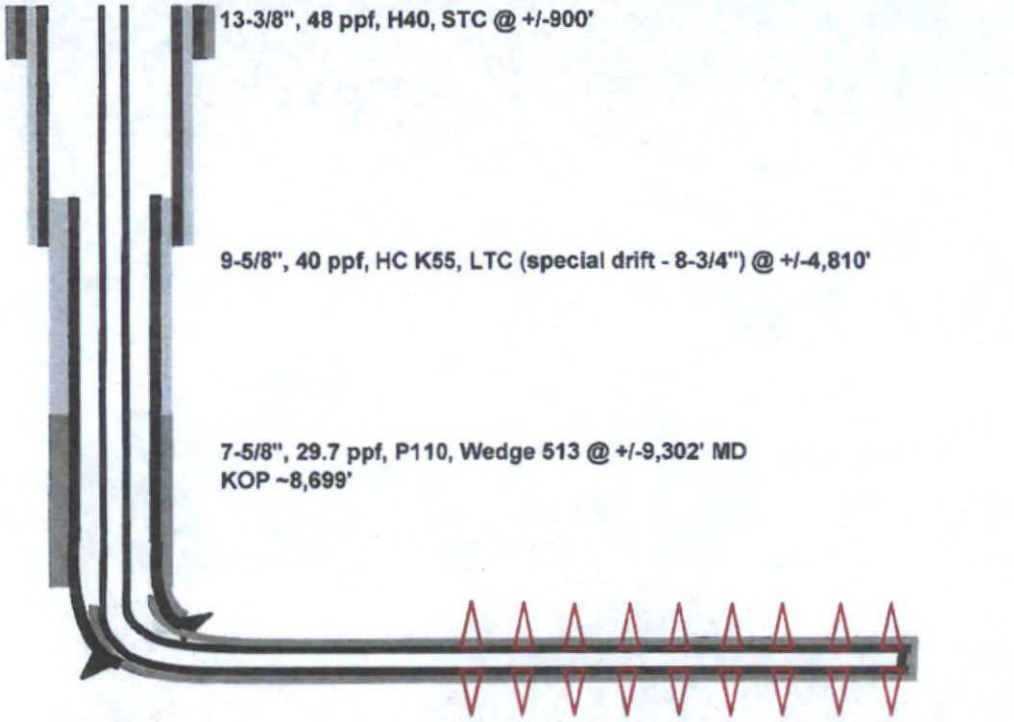
Water: 9.540 gal/sk

Excess: 20%

Coverage: 15,514'– 16,514'

Salado Draw 29-2H
Drilling Program "Quick-Look"

Lea County, NM



Hole Size	Mud	Bits
17-1/2"	FW/Spud Mud	Rock Bit
12-1/4"	Brine 9 ppg – 10.0 ppg	PDC
8-3/4"	Cut Brine 8.8-9.2 ppg	PDC
6-3/4"	9.0-9.2	PDC

General Drilling Procedure

- Currently 10' cylindrical cellar installed with 80' of 20" conductor pipe set.
- MIRU
- N/U on 20" conductor and drill 17-1/2" surface hole with fresh water to 900'.
- Run 13-3/8" - 48# - H40 - STC casing and cement with a Class "C" lead and tail system.
- Install 13-5/8" 5M SH-2 wellhead on hanger. Run 13-3/8" - 48# - H40 - STC casing and cement with Class "C" lead and tail system.
- N/U and test BOPE to 250 psi / 5,000 psi.
- Drill 12-1/4" intermediate hole to 4,800' with saturated brine past salt zone.
- POOH and Run 9-5/8" - 40# - HC K55 - LTC casing and cement with a Class "C" lead and tail system.
- Drill 8-3/4" production hole w/ cut brine mud to 9,302' which is 70° into the curve as planned.
- Run 7-5/8" - 29.7# - HC P110 - 513 casing and cement with a Class "C" lead and tail system
- Finish drilling the curve to landing point ~9,445" with 6-3/4 mud motor
- Drill 6-3/4" lateral hole to +/-16,514' in pay zone conventional motor.
- Run 5" - 18# - P110 - 521 casing and cement with a lead and tail system
- RDMO and skid over to Salado Draw 29-1H.

For the latest performance data, always visit our website:
http://premiumconnectiondata.tenaris.com/www.tenaris.com

October 12 2015

TenarisHydril

Size: 5.000 in.
Wall: 0.362 in.
Weight: 18.00 lbs/ft
Grade: P110-IC
Min. Wall Thickness: 87.5 %

Connection: Wedge 521™
Casing/Tubing: CAS

PIPE BODY DATA

GEOMETRY

Nominal OD	**5.000** in.	Nominal Weight	**18.00** lbs/ft	Standard Drift Diameter	**4.151** in.
Nominal ID	**4.276** in.	Wall Thickness	**0.362** in.	Special Drift Diameter	**N/A**
Plain End Weight	**17.95** lbs/ft				

PERFORMANCE

Body Yield Strength	**580** x 1000 lbs	Internal Yield	**13940** psi	SMYS	**110000** psi
Collapse	**14840** psi				

WEDGE 521™ CONNECTION DATA

GEOMETRY

Connection OD	**5.359** in.	Connection ID	**4.226** in.	Make-Up Loss	**3.620** in.
Critical Section Area	**3.891** sq. in.	Threads per in.	**3.36**		

PERFORMANCE

Tension Efficiency	**73.8** %	Joint Yield Strength	**428** x 1000 lbs	Internal Pressure Capacity	**13940** psi
Compression Strength	**514** x 1000 lbs	Compression Efficiency	**88.7** %	Bending	**75** °/100 ft
External Pressure Capacity	**14840** psi				

MAKE-UP TORQUES

Minimum	**6100** ft-lbs	Optimum	**7300** ft-lbs	Maximum (*)	**10700** ft-lbs

OPERATIONAL LIMIT TORQUES

Operating Torque	**17300** ft-lbs	Yield Torque	**26000** ft-lbs

BLANKING DIMENSIONS

Blanking Dimensions

* If you need to use torque values that are higher than the maximum indicated, please contact a local Tenaris technical sales representative.

December 16 2015

TenarisHydril

Size: 7.625 in.
Wall: 0.375 in.
Weight: 29.70 lbs/ft
Grade: P110
Min. Wall Thickness: 87.5 %

Connection: Wedge 513™
Casing/Tubing: CAS

Pipe Body Data

Geometry

Nominal OD	**7.625** in.	Nominal Weight	**29.70** lbs/ft	Standard Drift Diameter	**6.750** in.
Nominal ID	**6.875** in.	Wall Thickness	**0.375** in.	Special Drift Diameter	**N/A**
Plain End Weight	**29.06** lbs/ft				

Performance

Body Yield Strength	**940** x 1000 lbs	Internal Yield	**9470** psi	SMYS	**110000** psi
Collapse	**5350** psi				

Wedge 513™ Connection Data

Geometry

Connection OD	**7.625** in.	Connection ID	**6.800** in.	Make-Up Loss	**4.420** in.
Critical Section Area	**5.125** sq. in.	Threads per in.	**3.29**		

Performance

Tension Efficiency	**60.0** %	Joint Yield Strength	**564** x 1000 lbs	Internal Pressure Capacity	**9470** psi
Compression Strength	**707** x 1000 lbs	Compression Efficiency	**75.2** %	Bending	**40** °/100 ft
External Pressure Capacity	**5350** psi				

Make-up Torques

Minimum	**9000** ft-lbs	Optimum	**10800** ft-lbs	Maximum (*)	**15800** ft-lbs

Operational Limit Torques

Operating Torque	**47000** ft-lbs	Yield Torque	**70000** ft-lbs

Blanking Dimensions

Blanking Dimensions

* If you need to use torque values that are higher than the maximum indicated, please

contact a local Tenaris technical sales representative.