

Carlsbad Field Office OCD Hobbs

HOBBS OCD

Form 3160-3
(March 2012)

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 27 2017

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

| | | |
|--|---|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 7. If Unit or CA Agreement, Name and No. |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 8. Lease Name and Well No. (317456) SD WE 15 FED P9 5H |
| 2. Name of Operator CHEVRON USA INC (4323) | | 9. API Well No. 30-025-43640 (97838) |
| 3a. Address 6301 Deauville Blvd. Midland TX 79706 | 3b. Phone No. (include area code) (432)687-7866 | 10. Field and Pool, or Exploratory JENNINGS / UPPER BN SPR SHALE |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SESE / 12 FSL / 1471 FEL / LAT 32.035506 / LONG -103.658475 At proposed prod. zone NWNE / 180 FSL / 2310 FEL / LAT 32.049673 / LONG -103.661126 | | 11. Sec., T. R. M. or Blk. and Survey or Area SEC 15 / T26S / R32E / NMP |
| 14. Distance in miles and direction from nearest town or post office* 33 miles | | 12. County or Parish LEA |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 12 feet | | 13. State NM |
| 16. No. of acres in lease 1280 | 17. Spacing Unit dedicated to this well 160 | |
| 18. Distance from proposed location* to nearest well, drilling, completed, 25 feet applied for, on this lease, ft. | 19. Proposed Depth 9048 feet / 14005 feet | 20. BLM/BIA Bond No. on file FED: CA0329 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3157 feet | 22. Approximate date work will start* 01/01/2017 | 23. Estimated duration 120 days |

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the BLM. |

| | | |
|--|--|--------------------|
| 25. Signature (Electronic Submission) | Name (Printed/Typed) Denise Pinkerton / Ph: (432)687-7375 | Date 08/03/2016 |
| Title Regulatory Specialist | | |
| Approved by (Signature) (Electronic Submission) | Name (Printed/Typed) Cody Layton / Ph: (575)234-5959 | Date 02/16/2017 |
| Title Supervisor Multiple Resources HOBBS | | |

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.

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)

APPROVED WITH CONDITIONS

KZ
02/27/17

| | | |
|---------------------------------------|------------------------------------|--------------------|
| APD ID: 10400003497 | Submission Date: 08/03/2016 | Highlight |
| Operator Name: CHEVRON USA INC | Federal/Indian APD: FED | All Changes |
| Well Name: SD WE 15 FED P9 | Well Number: 5H | |
| Well Type: OIL WELL | Well Work Type: Drill | |

Application

Section 1 - General

| | | |
|---|--|-------------------------------------|
| APD ID: 10400003497 | Tie to previous NOS? | Submission Date: 08/03/2016 |
| BLM Office: HOBBS | User: Denise Pinkerton | Title: Regulatory Specialist |
| Federal/Indian APD: FED | Is the first lease penetrated for production Federal or Indian? FED | |
| Lease number: NMNM118723 | Lease Acres: 1280 | |
| Surface access agreement in place? | Allotted? | Reservation: |
| Agreement in place? NO | Federal or Indian agreement: | |
| Agreement number: | | |
| Agreement name: | | |
| Keep application confidential? NO | | |
| Permitting Agent? NO | APD Operator: CHEVRON USA INC | |
| Operator letter of designation: | | |
| Keep application confidential? NO | | |

Operator Info

| | | |
|--|------------------|-------------------|
| Operator Organization Name: CHEVRON USA INC | | |
| Operator Address: 6301 Deauville Blvd. | | Zip: 79706 |
| Operator PO Box: | | |
| Operator City: Midland | State: TX | |
| Operator Phone: (432)687-7866 | | |
| Operator Internet Address: | | |

Section 2 - Well Information

| | |
|--|--------------------------------------|
| Well in Master Development Plan? NO | Master Development Plan name: |
| Well in Master SUPO? NO | Master SUPO name: |
| Well in Master Drilling Plan? NO | Master Drilling Plan name: |

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Well Name: SD WE 15 FED P9

Well Number: 5H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: JENNINGS

Pool Name: UPPER BN SPR
SHALE

Is the proposed well in an area containing other mineral resources? OIL

Describe other minerals:

Is the proposed well in a Helium production area? N

Use Existing Well Pad? NO

New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: SD
WE 15 FED P9

Number: 5H-8H

Well Class: HORIZONTAL

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 33 Miles

Distance to nearest well: 25 FT

Distance to lease line: 12 FT

Reservoir well spacing assigned acres Measurement: 160 Acres

Well plat: SD WE 15 Fed P9 5H C-102_07-27-2016.pdf

Well work start Date: 01/01/2017

Duration: 120 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD27

Vertical Datum: NGVD29

Survey number:

STATE: NEW MEXICO

Meridian: NEW MEXICO PRINCIPAL **County:** LEA

Latitude: 32.035506

Longitude: -103.658475

SHL

Elevation: 3157

MD: 0

TVD: 0

Leg #: 1

Lease Type: FEDERAL

Lease #: NMNM118723

NS-Foot: 12

NS Indicator: FSL

EW-Foot: 1471

EW Indicator: FEL

Twsp: 26S

Range: 32E

Section: 15

Aliquot: SESE

Lot:

Tract:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

| | | | |
|-----------------|----------------------------|---------------------------------------|--------------------|
| | STATE: NEW MEXICO | Meridian: NEW MEXICO PRINCIPAL | County: LEA |
| | Latitude: 32.049673 | Longitude: -103.661126 | |
| KOP | Elevation: -5436 | MD: 8661 | TVD: 8593 |
| Leg #: 1 | Lease Type: FEDERAL | Lease #: NMNM118723 | |
| | NS-Foot: 180 | NS Indicator: FNL | |
| | EW-Foot: 2310 | EW Indicator: FEL | |
| | Twsp: 26S | Range: 32E | Section: 15 |
| | Aliquot: NWNE | Lot: | Tract: |
| | STATE: NEW MEXICO | Meridian: NEW MEXICO PRINCIPAL | County: LEA |
| | Latitude: 32.049673 | Longitude: -103.661126 | |
| PPP | Elevation: -5844 | MD: 9151 | TVD: 9001 |
| Leg #: 1 | Lease Type: FEDERAL | Lease #: NMNM118723 | |
| | NS-Foot: 180 | NS Indicator: FNL | |
| | EW-Foot: 2310 | EW Indicator: FEL | |
| | Twsp: 26S | Range: 32E | Section: 15 |
| | Aliquot: NWNE | Lot: | Tract: |
| | STATE: NEW MEXICO | Meridian: NEW MEXICO PRINCIPAL | County: LEA |
| | Latitude: 32.049673 | Longitude: -103.661126 | |
| EXIT | Elevation: -5893 | MD: 13854 | TVD: 9050 |
| Leg #: 1 | Lease Type: FEDERAL | Lease #: NMNM118723 | |
| | NS-Foot: 180 | NS Indicator: FNL | |
| | EW-Foot: 2310 | EW Indicator: FEL | |
| | Twsp: 26S | Range: 32E | Section: 15 |
| | Aliquot: NWNE | Lot: | Tract: |
| | STATE: NEW MEXICO | Meridian: NEW MEXICO PRINCIPAL | County: LEA |
| | Latitude: 32.049673 | Longitude: -103.661126 | |
| BHL | Elevation: -5891 | MD: 14005 | TVD: 9048 |
| Leg #: 1 | Lease Type: FEDERAL | Lease #: NMNM118723 | |
| | NS-Foot: 180 | NS Indicator: FSL | |
| | EW-Foot: 2310 | EW Indicator: FEL | |

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Twsp: 26S

Range: 32E

Section: 15

Aliquot: NWNE

Lot:

Tract:

Drilling Plan

Section 1 - Geologic Formations

ID: Surface formation Name: RUSTLER

Lithology(ies):

ANHYDRITE

Elevation: 3157 True Vertical Depth: 0 Measured Depth: 0

Mineral Resource(s):

NONE

Is this a producing formation? N

ID: Formation 1 Name: CASTILE

Lithology(ies):

DOLOMITE

Elevation: 157 True Vertical Depth: 3000 Measured Depth: 3000

Mineral Resource(s):

NONE

Is this a producing formation? N

ID: Formation 2 Name: LAMAR LS

Lithology(ies):

LIMESTONE

Elevation: -1543 True Vertical Depth: 4700 Measured Depth: 4700

Mineral Resource(s):

NONE

Is this a producing formation? N

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

ID: Formation 3

Name: BELL CANYON

Lithology(ies):

SANDSTONE

Elevation: -1823

True Vertical Depth: 4980

Measured Depth: 4980

Mineral Resource(s):

NONE

Is this a producing formation? N

ID: Formation 4

Name: CHERRY CANYON

Lithology(ies):

SANDSTONE

Elevation: -2718

True Vertical Depth: 5875

Measured Depth: 5875

Mineral Resource(s):

NONE

Is this a producing formation? N

ID: Formation 5

Name: BRUSHY CANYON

Lithology(ies):

SANDSTONE

Elevation: -4268

True Vertical Depth: 7425

Measured Depth: 7425

Mineral Resource(s):

NONE

Is this a producing formation? N

ID: Formation 6

Name: BONE SPRING

Lithology(ies):

LIMESTONE

Elevation: -5648

True Vertical Depth: 8805

Measured Depth: 8805

Mineral Resource(s):

NONE

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Is this a producing formation? N

ID: Formation 7

Name: AVALON

Lithology(ies):

SHALE

Elevation: -5893

True Vertical Depth: 9050

Measured Depth: 13957

Mineral Resource(s):

OIL

Is this a producing formation? Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 20000

Equipment: Minimum of a 5000 psi rig stack (see proposed schematic) for drill out below surface casing.

Requesting Variance? NO

Variance request:

Testing Procedure: Stack will be tested as specified in the attached testing requirements. Test BOP from 250 psi fo 5000 psi in Ram and 250 to 3500 in Annular. See BOP attachment for details.

Choke Diagram Attachment:

SD WE 15 FED P9 5-8H 5K BOPE and Choke Schematic_08-02-2016.pdf

BOP Diagram Attachment:

SD WE 15 FED P9 5-8H 5K BOPE and Choke Schematic_08-02-2016.pdf

Section 3 - Casing

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

String Type: SURFACE

Other String Type:

Hole Size: 17.5

Top setting depth MD: 0

Top setting depth TVD: 0

Top setting depth MSL: -5891

Bottom setting depth MD: 0

Bottom setting depth TVD: 0

Bottom setting depth MSL: 3157

Calculated casing length MD: 0

Casing Size: 13.375

Other Size

Grade: J-55

Other Grade:

Weight: 55

Joint Type: STC

Other Joint Type:

Condition: NEW

Inspection Document:

Standard: API

Spec Document:

Tapered String?: N

Tapered String Spec:

Safety Factors

Collapse Design Safety Factor: 1.92

Burst Design Safety Factor: 1.4

Joint Tensile Design Safety Factor type: DRY

Joint Tensile Design Safety Factor: 2.4

Body Tensile Design Safety Factor type: DRY

Body Tensile Design Safety Factor: 1.75

Casing Design Assumptions and Worksheet(s):

SD WE 15 Fed P9 5H 9ppt Plan_08-02-2016.pdf

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

String Type: INTERMEDIATE

Other String Type:

Hole Size: 12.25

Top setting depth MD: 0

Top setting depth TVD: 0

Top setting depth MSL: -5891

Bottom setting depth MD: 4530

Bottom setting depth TVD: 4487

Bottom setting depth MSL: -10378

Calculated casing length MD: 4530

Casing Size: 9.625

Other Size

Grade: HCK-55

Other Grade:

Weight: 40

Joint Type: LTC

Other Joint Type:

Condition: NEW

Inspection Document:

Standard: API

Spec Document:

Tapered String?: N

Tapered String Spec:

Safety Factors

Collapse Design Safety Factor: 3.02

Burst Design Safety Factor: 1.21

Joint Tensile Design Safety Factor type: DRY

Joint Tensile Design Safety Factor: 2.15

Body Tensile Design Safety Factor type: DRY

Body Tensile Design Safety Factor: 1.48

Casing Design Assumptions and Worksheet(s):

SD WE 15 Fed P9 5H 9ppt Plan_08-02-2016.pdf

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

String Type: PRODUCTION

Other String Type:

Hole Size: 8.75

Top setting depth MD: 0

Top setting depth TVD: 0

Top setting depth MSL: -5891

Bottom setting depth MD: 14005

Bottom setting depth TVD: 9048

Bottom setting depth MSL: -14939

Calculated casing length MD: 14005

Casing Size: 5.5

Other Size

Grade: HCP-110

Other Grade:

Weight: 20

Joint Type: OTHER

Other Joint Type: TXP BTC S

Condition: NEW

Inspection Document:

Standard: API

Spec Document:

Tapered String?: N

Tapered String Spec:

Safety Factors

Collapse Design Safety Factor: 2.51

Burst Design Safety Factor: 1.3

Joint Tensile Design Safety Factor type: DRY

Joint Tensile Design Safety Factor: 2.48

Body Tensile Design Safety Factor type: DRY

Body Tensile Design Safety Factor: 1.51

Casing Design Assumptions and Worksheet(s):

SD WE 15 Fed P9 5H 9ppt Plan_08-02-2016.pdf

SALADO DRAW PROD CSG SPEC_09-26-2016.pdf

Section 4 - Cement

Casing String Type: SURFACE

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Stage Tool Depth:

Lead

Top MD of Segment: 0

Bottom MD Segment: 670

Cement Type: Class C

Additives: None

Quantity (sks): 801

Yield (cu.ff./sk): 1.35

Density: 14.8

Volume (cu.ft.): 193

Percent Excess:

Tail

Top MD of Segment: 3530

Bottom MD Segment:

Cement Type:

Additives:

Quantity (sks):

Yield (cu.ff./sk):

Density:

Volume (cu.ft.):

Percent Excess: 85

Casing String Type: INTERMEDIATE

Stage Tool Depth:

Lead

Top MD of Segment: 0

Bottom MD Segment: 3530

Cement Type: 50:50 Poz Class C

Additives: None

Quantity (sks): 1022

Yield (cu.ff./sk): 2.43

Density: 11.9

Volume (cu.ft.): 442

Percent Excess: 150

Tail

Top MD of Segment: 3530

Bottom MD Segment: 4530

Cement Type: Class C

Additives: None

Quantity (sks): 464

Yield (cu.ff./sk): 1.33

Density: 14.8

Volume (cu.ft.): 110

Percent Excess: 85

Casing String Type: PRODUCTION

Stage Tool Depth:

Lead

Top MD of Segment: 3680

Bottom MD Segment: 13005

Cement Type: TXI

Additives: None

Quantity (sks): 1622

Yield (cu.ff./sk): 1.62

Density: 12.5

Volume (cu.ft.): 264

Percent Excess: 35

Tail

Top MD of Segment: 3530

Bottom MD Segment: 14005

Cement Type: Acid Soluble

Additives: None

Quantity (sks): 116

Yield (cu.ff./sk): 2.18

Density: 15

Volume (cu.ft.): 45

Percent Excess: 85

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: In compliance with onshore order #2

Describe the mud monitoring system utilized: Visual Mud Monitoring Eqpt, PVT, Stroke Counter, Flow sensor in Compliance with Onshore Order #2

Circulating Medium Table

| | |
|-----------------------------|--------------------------------|
| Top Depth: 0 | Bottom Depth: 670 |
| Mud Type: SPUD MUD | |
| Min Weight (lbs./gal.): 8.3 | Max Weight (lbs./gal.): 8.7 |
| Density (lbs/cu.ft.): | Gel Strength (lbs/100 sq.ft.): |
| PH: | Viscosity (CP): |
| Filtration (cc): | Salinity (ppm): |
| Additional Characteristics: | |
| Top Depth: 670 | Bottom Depth: 4530 |
| Mud Type: WATER-BASED MUD | |
| Min Weight (lbs./gal.): 9.5 | Max Weight (lbs./gal.): 10.1 |
| Density (lbs/cu.ft.): | Gel Strength (lbs/100 sq.ft.): |
| PH: | Viscosity (CP): |
| Filtration (cc): | Salinity (ppm): |
| Additional Characteristics: | |

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Top Depth: 4530

Bottom Depth: 14005

Mud Type: OTHER

Oil Based Mud

Min Weight (lbs./gal.): 8.3

Max Weight (lbs./gal.): 9.6

Density (lbs/cu.ft.):

Gel Strength (lbs/100 sq.ft.):

PH:

Viscosity (CP):

Filtration (cc):

Salinity (ppm):

Additional Characteristics:

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Drill Stem tests not planned

List of open and cased hole logs run in the well:

MWD

Coring operation description for the well:

Conventional whole core samples are not planned; Directional survey to be run

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4500

Anticipated Surface Pressure: 2509

Anticipated Bottom Hole Temperature(F): 160

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

SD WE 15 FED P9 5-8H H2S Plan_08-02-2016.docx

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

SD WE 15 Fed P9 No. 5H_Prelim 2_Plot_08-03-2016.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Other Variance attachment:

SUPO

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

SD WE 15 Fed P9 5H Roads_07-27-2016.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? YES

Existing Road Improvement Description: Repair pot holes, clear ditches, repair crown, etc.

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

SD WE 15 Fed P9 5H Well Pad_07-27-2016.pdf

New road type: LOCAL

Length: 62 Feet Width (ft.): 14

Max slope (%): 2 Max grade (%): 3

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: See Surface Use Plan

New road access plan or profile prepared? NO

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 0

Offsite topsoil source description:

Onsite topsoil removal process: None needed

Access other construction information:

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: Ditching on both Sides of Road

Road Drainage Control Structures (DCS) description: Ditching on both Sides of Road

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

SD WE 15 FED P9 5H 1 Mile Radius_08-02-2016.pdf

Existing Wells description:

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Estimated Production Facilities description:

Production Facilities description: See Surface Use Plan

Production Facilities map:

SD WE 15 P9 5H_Aerial_09-26-2016.pdf

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE CASING

Water source type: OTHER

Describe type: GW Well or Recycled Water

Source latitude:

Source longitude:

Source datum:

Water source permit type: PRIVATE CONTRACT

Source land ownership: PRIVATE

Water source transport method: PIPELINE

Source transportation land ownership: OTHER

Describe transportation land ownership:

Water source volume (barrels): 659461.25

Source volume (acre-feet): 85

Source volume (gal): 27697372

Water source and transportation map:

SD WE 15 P9 5H_Aerial_09-26-2016.pdf

Water source comments:

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: Caliche will be sourced from a pit in Section 22, T26S-R33E or an alternative pit in Section 21, T26S-R32E, Lea county, NM.

Construction Materials source location attachment:

Section 7 - Methods for Handling Waste

Waste type: GARBAGE

Waste content description: Garbage and Trash produced during drilling

Amount of waste: 200 pounds

Waste disposal frequency : Daily

Safe containment description: Will be collected in trash container and & disposed of at State Approved Facility

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** STATE

Disposal type description:

Disposal location description: State Approved Disposal Facility

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.) **Reserve pit width (ft.)**

Reserve pit depth (ft.) **Reserve pit volume (cu. yd.)**

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.) **Cuttings area width (ft.)**

Cuttings area depth (ft.) **Cuttings area volume (cu. yd.)**

Is at least 50% of the cuttings area in cut?

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

SD WE 15 P9 5H_Rig Layout_09-26-2016.pdf

SD WE 15 Fed P9 5H Well Pad_09-26-2016.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: NEW

Recontouring attachment:

SD WE 15 P9 5H_SUP_09-26-2016.pdf

SD WE 15 Fed P9 8H_Reclamation_09-26-2016.pdf

Drainage/Erosion control construction: See SUP

Drainage/Erosion control reclamation: See SUP

Wellpad long term disturbance (acres): 2.5

Wellpad short term disturbance (acres): 4

Access road long term disturbance (acres): 0.02

Access road short term disturbance (acres): 0.02

Pipeline long term disturbance (acres): 1.071855

Pipeline short term disturbance (acres): 1.071855

Other long term disturbance (acres): 0

Other short term disturbance (acres): 0

Total long term disturbance: 3.5918548

Total short term disturbance: 5.091855

Reconstruction method: See SUP

Topsoil redistribution: See SUP

Soil treatment: See SUP

Existing Vegetation at the well pad: Mesquite, Shrubs, Grass

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Mesquite, Shrubs, Grass

Existing Vegetation Community at the road attachment:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Existing Vegetation Community at the pipeline: Mesquite, Shrubs, Grass

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: Mesquite, Shrubs, Grass

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed source:

Seed name:

Source name:

Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary

Total pounds/Acre:

| Seed Type | Pounds/Acre |
|-----------|-------------|
|-----------|-------------|

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name:

Last Name:

Phone:

Email:

Seedbed prep:

Seed BMP:

Seed method:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: None Needed

Weed treatment plan attachment:

Monitoring plan description: None Needed

Monitoring plan attachment:

Success standards: N/A

Pit closure description: N/A

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Disturbance type: EXISTING ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Disturbance type: PIPELINE

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Section 12 - Other Information

Right of Way needed? YES

Use APD as ROW? YES

ROW Type(s): 288100 ROW – O&G Pipeline,Other

ROW Applications

SUPO Additional Information:

Use a previously conducted onsite? YES

Previous Onsite information: Hard Staked 4/16/2016 with Paul Murphy

Other SUPO Attachment

PWD

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Injection well name:

Assigned injection well API number?

Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

Other regulatory requirements attachment:

Bond Info

Bond Information

Federal/Indian APD: FED

BLM Bond number: CA0329

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

Operator Certification

Operator 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 herein 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 false statements.

NAME: Denise Pinkerton

Signed on: 07/27/2016

Title: Regulatory Specialist

Street Address: 6301 Deauville Blvd

City: Midland

State: TX

Zip: 79706

Phone: (432)687-7375

Email address: leakejd@chevron.com

Field Representative

Representative Name:

Street Address:

Operator Name: CHEVRON USA INC

Well Name: SD WE 15 FED P9

Well Number: 5H

City:

State:

Zip:

Phone:

Email address:

Payment Info

Payment

APD Fee Payment Method: BLM DIRECT

CBS Receipt number: 3615582