ONSHORE ORDER NO. 1 Chevron¹ SD WE 15 FED P9 5H Lea County, NM

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

FORMATION	SUB-SEA TVD	KBTVD	MD
Formation	Sub-Sea TVD	KBTVD	
Rustler	2507	650	
Castile	157	3000	
Lamar	-1543	4700	
Bell Canyon	-1823	4980	
Cherry Canyon	-2718	5875	
Brushy Canyon	-4268	7425	
Bone Spring Limestone	-5648	8805	
Upr. Avalon	-5718	8875	
Lateral TD (Upper Avalon)	-5893	9050	13957

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 Exp	ected Base of Fresh Water	500
Water	Rustler	650
Water	Bell Canyon	4980
Water	Cherry Canyon	5875
Oil/Gas	Brushy Canyon	7425
Oil/Gas	Bone Spring Limestone	8805
Oil/Gas	Upr. Avalon	8875

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 FMC UH2 Multibowl wellhead, which will be run through the rig foor on surface casing. BOPE will be nippled up and tested after cementing surface casing. Subsequent tests will be performed as needed, not to exceed 30 days. The field report from FMC 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.

ONSHORE ORDER NO. 1 Chevron SD WE 15 FED P9 5H Lea County, NM

4. CASING PROGRAM

a. The proposed casing program will be as follows:

Purpose	From	То	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	670'	17-1/2"	13-3/8"	55 #	J55	STC	New
Intermediate	0'	4,530'	12-1/4"	9-5/8"	40 #	HCK-55	LTC	New
Production	0'	13,957'	8-3/4"	5-1/2"	20.0 #	HCP-110	TXP BTC S	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:	850'			
Intermediate Casing:	4800'			
Production Casing:	22,000' ME	D/9,200' TVD (12,800' VS (@ 90 deg inc)	
Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Surface	1.40	1.92	2.40	1.75
Intermediate	1.21	3.02	2.15	1.48
Production	1.30	2.51	2.48	1.51

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		Х	X	X
P external: Water				
P internal: Test psi + next	section heaviest mud in csg			
Displace to Gas- Surf Csg		X		
P external: Water				
P internal: Dry Gas from N	lext Csg Point			
Frac at Shoe, Gas to Surf- Int Csg			X	
P external: Water				
P internal: Dry Gas, 15 pp	g Frac Gradient			
Stimulation (Frac) Pressures- Prod Cs	g			Х
P external: Water				8
P internal: Max inj pressu	e w/ heaviest injected fluid			
Tubing leak- Prod Csg (packer at KOF	')			Х
P external: Water				
P internal: Leak just below	v surf, 8.7 ppg packer fluid			
Collapse Design				
Full Evacuation	Δ.	X	X	X
P external: Water gradient	in cement, mud above TOC			
P internal: none				
Cementing- Surf, Int, Prod Csg	2 	X	X	X
P external: Wet cement	•			
P internal: water				
Tension Design				
100k lb overpull	· · · · · · · · · · · · · · · · · · ·	Х	X	X

ONSHORE ORDER NO. 1 Chevron SD WE 15 FED P9 5H Lea County, NM

5. CEMENTING PROGRAM

Slurry		Туре	Тор	Bottom	Weight	Yield	%Excess	Sacks	Water
Surface					(ppg)	(sx/cu ft)	Open Hole		gal/sk
	Tail	Class C	0'	670'	14.8	1.35	125	801	6.57
Intermediate									
L	.ead	50:50 Poz Class C	0'	3,530'	11.9	2.43	150	1022	14.21
	Tail	Class C	3,530'	4,530'	14.8	1.33	85	464	6.37
Production									
1st L	.ead	50:50 Poz Class H	3,680'	8,616'	11.5	2.51	50	705	15.51
2nd L	.ead	TXI	8,616'	12,957'	12.5	1.62	35	917	9.64
	Tail	Acid Soluble	12,957'	13,957'	15	2.18	0	116	11.42

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 centralizer on every joint for the first 1000' from TD, then every other joint to EOB, then every third joint to KOP, and then every forth joint to intermediate casing.

ONSHORE ORDER NO. 1 Chevron SD WE 15 FED P9 5H Lea County, NM

6. MUD PROGRAM

From	То	Туре	Weight	F. Vis	Filtrate
0'	670'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC
670'	4,530'	Brine	9.5 - 10.1	28 - 30	NC - NC
4,530'	8,616'	FW/Cut Brine	8.3 - 9.6	28 - 30	NC - NC
8,616'	9,366'	Cut Brine	8.3 - 9.6	28 - 30	15 - 25
9,366'	13,957'	FW/Cut Brine	8.3 - 9.6	28 - 30	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	Int. and Prod. Hole	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: 4500 psi
b. Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered

BLOWOUT PREVENTOR SCHEMATIC

Minimum Requirements

OPERATION : Intermediate and Production Hole Sections

Minimum System Pressure Rating : 5,000 psi





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. Reservoir 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 ckecked 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:

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

June 17 2015



Connection: TenarisXP[™] BTC Casing/Tubing: CAS Coupling Option: REGULAR

Size: 5.500 in. Wall: 0.361 in. Weight: 20.00 lbs/ft Grade: P110-IC Min. Wall Thickness: 87.5 %

		PIPE BODY	DATA		
		GEOMET	TRY		
Nominal OD	5.500 in.	Nominal Weight	20.00 lbs/ft	Standard Drift Diameter	4.653 in.
Nominal ID	4.778 in.	Wall Thickness	0.361 in.	Special Drift Diameter	N/A
Plain End Weight	19.83 lbs/ft		<i>e</i>		
		PERFORM	ANCE		
Body Yield Strength	641 × 1000 lbs	Internal Yield	1 2630 psi	SMYS	110000 psi
Collapse	12100 psi				
	TEI	NARISXP TM BTC CO	NNECTION D	ATA	
-		GEOME	TRY	1	
Connection OD	6.100 in.	Coupling Length	9.450 in.	Connection ID	4.766 in.
Critical Section Area	5.828 sq. in.	Threads per in.	5.00	Make-Up Loss	4.204 in.
		PERFORM	ANCE		
Tension Efficiency	100 %	Joint Yield Strength	641 × 1000 lbs	Internal Pressure Capacity $(\underline{1})$	12630 psi
Structural Compression Efficiency	100 %	Structural Compression Strength	641 × 1000 Ibs	Structural Bending ^(<u>2</u>)	92 °/100 ft
External Pressure Capacity	12100 psi				т.
	E	STIMATED MAKE-U	JP TORQUES	3)	
Minimum	11270 ft-lbs	Optimum	12520 ft-lbs	Maximum	13770 ft-lbs
		OPERATIONAL LI	MIT TORQUES	5	
Operating Torque	21500 ft-lbs	Yield Torque	23900 ft-lbs		

http://premium.connectiondata.tenaris.com/tsh_print.php?hWall=0.361&hSize=5.500&hGrade=P110-IC&hConnection=TenarisXP%20BTC&hUnits=0&hRBW=... 1/2

DS-TenarisHydril TenarisXP BTC-5.500-20.000-P110-IC

BLANKING DIMENSIONS

Blanking Dimensions

(1) Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per

section 10.3 API 5C3 / ISO 10400 - 2007.

(2) Structural rating, pure bending to yield (i.e no other loads applied)

(3) Torque values calculated for API Modified thread compounds with Friction Factor=1. For other thread compounds please contact us at <u>licensees@oilfield.tenaris.com</u>. Torque values may be further reviewed. For additional information, please contact us at <u>contact-tenarishydril@tenaris.com</u>



