

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|---|
| ¹ Operator name and Address CHEVRON U.S.A. INC. 15 SMITH ROAD MIDLAND, TEXAS 79705 | | ² OGRID Number 4323 |
| | | ³ Reason for Filing Code/ Effective Date NEW WELL EFFECTIVE 07/2017 |
| ⁴ API Number 30 - 25-43461 | ⁵ Pool Name JENNINGS; UPPER BONE SPRING, SHALE | ⁶ Pool Code 97838 |
| ⁷ Property Code 317068 | ⁸ Property Name SD WE 23 FED P25 | ⁹ Well Number 2H |

II. ¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 23 | 26S | 32E | | 260 | SOUTH | 2628 | WEST | LEA |

¹¹ Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------------------------|--|--|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| C | 14 | 26S | 32E | | 128 | NORTH | 2585 | WEST | LEA |
| ¹² Lse Code FEDERAL | ¹³ Producing Method Code FLOWING | ¹⁴ Gas Connection Date 07/01/2017 | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ O/G/W |
|------------------------------------|---|---------------------|
| | WESTERN PIPELINE | OIL |
| | DBM | GAS |
| | | |
| | | |
| | | |
| | | |
| | | |

IV. Well Completion Data

| | | | | | |
|---------------------------------------|--|----------------------------|------------------------------|---|-----------------------|
| ²¹ Spud Date 01/23/2017 | ²² Ready Date 06/10/2017 | ²³ TD 19,157 | ²⁴ PBDT 19,053 | ²⁵ Perforations 9144-18,921 | ²⁶ DHC, MC |
| ²⁷ Hole Size | ²⁸ Casing & Tubing Size | ²⁹ Depth Set | ³⁰ Sacks Cement | | |
| 17 1/2" | 13 3/8" | 745 | 920 SX | | |
| 12 1/4" | 9 5/8" | 4500 | 1475 SX | | |
| | 5 1/2" | 19,147 | 2897 SX | | |
| | 2 7/8" TBG | 8556' | | | |

V. Well Test Data

| | | | | | |
|--|---|---------------------------------------|-------------------------------------|--------------------------------------|------------------------------------|
| ³¹ Date New Oil 07/01/2017 | ³² Gas Delivery Date 07/01/2017 | ³³ Test Date 08/05/2017 | ³⁴ Test Length 24 HRS | ³⁵ Tbg. Pressure 953 | ³⁶ Csg. Pressure 260 |
| ³⁷ Choke Size 48/64 | ³⁸ Oil 461 | ³⁹ Water 1373 | ⁴⁰ Gas 782 | ⁴¹ Test Method FLOWING | |

| | | | |
|--|------------------------|---------------------------------|--|
| ⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Denise Pinkerton</i> | | OIL CONSERVATION DIVISION | |
| Printed name: DENISE PINKERTON | | Approved by: <i>[Signature]</i> | |
| Title: REGULATORY SPECIALIST | | Title: Petroleum Engineer | |
| E-mail Address: Leakejd@chevron.com | | Approval Date: 08/29/17 | |
| Date: 08/18/2017 | Phone: 432-687-7375 | | |

C-104 TEMPORARY APPROVAL pending receipt of approved
BLM forms attached

HOBBS OCD
AUG 24 2017
RECEIVEDUNITED 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.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

| | | |
|---|--|---|
| 1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5 Lease Serial No NMNM118723 |
| 2 Name of Operator CHEVRON U.S.A. INC. ✓ Contact: DENISE PINKERTON E-Mail: leakejd@chevron.com | | 6 If Indian, Allottee or Tribe Name |
| 3a Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706 | 3b Phone No. (include area code) Ph: 432-687-7375 | 7 If Unit or CA/Agreement, Name and/or No |
| 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T26S R32E Mer NMP 260FSL 2628FWL ✓ | | 8 Well Name and No SD WE 23 FED P25 2H ✓ |
| | | 9 API Well No 30-025-43461 |
| | | 10 Field and Pool or Exploratory Area JENNINGS;UPR BN SPR, SHALE |
| | | 11 County or Parish, State LEA COUNTY, NM |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input 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 checked="" 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 | |
| | <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 recompleate 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 recompleation 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.

PLEASE SEE ATTACHED DOCUMENTS FOR DETAILED WORK DONE TO DRILL AND COMPLETE THE SUBJECT WELL.

ATTACHMENTS INCLUDE:
SPUD, DRILL, COMPLETE REPORT
AS DRILLED PLAT
PERFORATION SUMMARY
FRAC SUMMARY
WELLBORE SCHEMATIC

| | |
|---|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #385211 verified by the BLM Well Information System For CHEVRON U.S.A. INC., sent to the Hobbs | |
| Name (Printed/Typed) DENISE PINKERTON | Title PERMITTING SPECIALIST |
| Signature (Electronic Submission) | Date 08/18/2017 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| 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 _____ |

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5 Lease Serial No
NMNM118723

| | | | | | |
|---|--|--|---|--|--|
| 1a Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other | | | 6 If Indian, Allottee or Tribe Name | | |
| b Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff Resvr Other _____ | | | 7 Unit or CA Agreement Name and No | | |
| 2 Name of Operator CHEVRON U.S.A. INC. | | | Contact DENISE PINKERTON E-Mail: leakejd@chevron.com | | |
| 3 Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706 | | | 3a Phone No (include area code) Ph: 432-687-7375 | | |
| 4 Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 260FSL 2628FWL At top prod interval reported below 128FNL 2585FWL At total depth 128FNL 2585FWL | | | 8 Lease Name and Well No SD WE 23 FED P25 2H | | |
| 14 Date Spudded 01/23/2017 | | | 15 Date T.D. Reached 03/20/2017 | | |
| 16 Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod 06/10/2017 | | | 17 Elevations (DF, KB, RT, GL)* 3122 GL | | |
| 18 Total Depth MD 19157 TVD 9006 | | | 19 Plug Back T.D. MD 19053 TVD | | |
| 20 Depth Bridge Plug Set MD TVD | | | 21 Type Electric & Other Mechanical Logs Run (Submit copy of each) GR/JB CBL | | |
| 22 Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis) | | | | | |

23 Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt (#/ft) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No of Sks & Type of Cement | Slurry Vol (BBL) | Cement Top* | Amount Pulled |
|-----------|---------------|-----------|----------|-------------|----------------------|----------------------------|------------------|-------------|---------------|
| 17.500 | 13.375 J-55 | 54.5 | 0 | 745 | | 920 | | 0 | |
| 12.250 | 9.625 HCK-55 | 40.0 | 0 | 4500 | | 1475 | | 0 | |
| 8.750 | 5.500 HCP-110 | 20.0 | 0 | 19147 | | 2897 | | 2042 | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|-------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2.875 | 8556 | 8542 | | | | | | |

25. Producing Intervals

26 Perforation Record

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf Status |
|--------------------------|------|--------|---------------------|------|-----------|----------------------------|
| UPPER BONE SPRING, SHALE | 9144 | 18921 | 9144 TO 18921 | | | PRODUCING **SEE ATTACHED C |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc

| Depth Interval | Amount and Type of Material |
|----------------|---|
| 9144 TO 18921 | FRAC W/TOTAL PROPPANT: 15,732,554 LBS **SEE ATTACHED DETAILED FRAC REPORT |
| | |
| | |

28 Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---------------------|----------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| 07/01/2017 | 08/05/2017 | 24 | → | | | | | | FLows FROM WELL |
| Choke Size | Tbg Press Flwg | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |
| 48/64 | 953 SI | 260.0 | → | 461 | 782 | 1373 | 1696 | POW | |

28a Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---------------------|----------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg Press Flwg | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |
| | SI | | → | | | | | | |

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #385209 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

28b Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|-------------------------|-------------|-------------------|
| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate → | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |

28c. Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|-------------------------|-------------|-------------------|
| Choke Size | Tbg Press Flwg SI | Csg Press | 24 Hr Rate → | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio | Well Status | |

29 Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30 Summary of Porous Zones (Include Aquifers)

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31 Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc | Name | Top |
|------------------|------|--------|-----------------------------|------------------|------------|
| | | | | | Meas Depth |
| CASTILE | 2901 | 4514 | ANHYDRITE | CASTILE | 2901 |
| LAMAR | 4515 | 4547 | LIMESTONE | LAMAR | 4515 |
| BELL CANYON | 4548 | 5557 | SANDSTONE | BELL CANYON | 4548 |
| CHERRY CANYON | 5558 | 7141 | SANDSTONE | CHERRY CANYON | 5558 |
| BRUSHY CANYON | 7142 | 8827 | SANDSTONE | BRUSHY CANYON | 7142 |
| BONE SPRING LIME | 8828 | 8887 | SHALE/LIMESTONE | BONE SPRING LIME | 8828 |
| UPPER AVALON | 8888 | 19157 | SHALE/LIMESTONE | UPPER AVALON | 8888 |

32 Additional remarks (include plugging procedure)

33 Circle enclosed attachments

- | | | | |
|--|-------------------|--------------|----------------------|
| 1 Electrical/Mechanical Logs (1 full set req'd) | 2 Geologic Report | 3 DST Report | 4 Directional Survey |
| 5 Sundry Notice for plugging and cement verification | 6 Core Analysis | 7 Other | |

34 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions).

Electronic Submission #385209 Verified by the BLM Well Information System.
For CHEVRON U.S.A. INC., sent to the Hobbs

Name (please print) DENISE PINKERTON

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 08/18/2017

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

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****