ONSHORE ORDER NO. 1 Chevron SD EA 18/19 Fed Com P13 8H Lea County, NM

30-025-44113 **CONFIDENTIAL -- TIGHT HOLE DRILLING PLAN** PAGE: 1

The estimated tops of important geologic markers are as follows:

FORMATION	SUB-SEA TVD	KBTVD	MD
Rustler		800	
Castile		3480	
Lamar		4900	
Bell Canyon		4930	
Cherry Canyon		5970	
Brushy Canyon		7620	
Bone Spring Limestone		9090	
Upr. Avalon		9120	
Top Bone Spring 1		10040	
Top Bone Spring 2		10700	
Top Bone Spring 3		11740	
Wolfcamp		12140	
Wolfcamp A1		12193	
Lateral TD (Wolfcamp A1)		12,213	22300

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 Expected Base of Fresh Water		700
Water	Rustler	800
Water	Bell Canyon	4930
Water	Cherry Canyon	5970
Oil/Gas	Brushy Canyon	7620
Oil/Gas	Bone Spring Limestone	9090
Oil/Gas	Upr. Avalon	9120
Oil/Gas	Top Bone Spring 1	10040
Oil/Gas	Top Bone Spring 2	10700
Oil/Gas	Top Bone Spring 3	11740
Oil/Gas	Wolfcamp	12140
Oil/Gas	Wolfcamp A1	12193
Oil/Gas		

All shows of fresh water and minerals will be reported and protected.

3. BOP EQUIPMENT

Will have a minimum of a 10000 psi rig stack (see proposed schematic) for drill out below surface (Wolfcamp is not exposed until drillout of the intermediate casing). Could possibly utilize the 5000 psi rig stack (see proposed schematic) for drill out below surface casing due to the availabity of 10 M annular. (Wolfcamp is not exposed until drillout of the intermediate casing) 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 unless approval from BLM is received otherwise. Flex choke hose will be used for all wells on the pad (see attached specs) BOP test will be conducted by a third party.

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.

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'	800'	17-1/2"	13-3/8"	55 #	J55	STC	New
Intermediate	0'	11,500'	12-1/4"	9-5/8"	43.5#	HCK-L80	LTC	New
Production	0'	22,300'	8-1/2"	5-1/2"	20.0 #	P-110-ICY	TXP BTC	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:	11,200' TV	D		
Production Casing:	23,000' ME	0/12,750' TVD (10,300' VS	@ 90 deg inc)	
Casing String	Min SF Burst	Min SF Collapse	Min SF Tension	Min SF Tri-Axial
Surface	1.36	3.12	3.17	1.70
Intermediate	1.12	1.44	1.93	1.37
Production	1.11	1.23	1.97	1.37

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	X	X	Х
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 Next Csg Point			
Frac at Shoe, Gas to Surf- Int Csg		X	
P external: Water			
P internal: Dry Gas, 16 ppg Frac Gradient			
Stimulation (Frac) Pressures- Prod Csg			X
P external: Water			
P internal: Max inj pressure w/ heaviest injected fluid			
Tubing leak- Prod Csg (packer at KOP)			X
P external: Water			
P internal: Leak just below surf, 8.7 ppg packer fluid			
Collapse Design			
Full Evacuation	X	X	X
P external: Water gradient in cement, mud above TOC			
P internal: none			
Cementing- Surf, Int, Prod Csg	X	×	X
P external: Wet cement			
P internal: water	- 4		
Tension Design			
100k lb overpull	Х	X	X

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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'	800'	14.8	1.33	50	650	6.57
Intermediate								
Stage 2 Lead	Class C	0'	4570	11.9	2.39	100	1070	13.46
Stage 2 Tail	Class C	4570	4870	14.8	1.33	25	89	6.35
Stage 1 Lead	50:50 Poz Class C	4,870'	10,650'	11.9	2.21	25	1024	12.18
Stage 1 Tail	Class H	10,650'	11,150'	15.6	1.22	25	184	5.37
Production								
Tail	Acid Soluble	10,350'	22,300'	15.6	1.2	10	2500	5.05

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 horizontal type centralizer on every joint for the first 1000' from TD, then every other joint to EOB, and then every third joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing.

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6. MUD PROGRAM

From	То	Туре	Weight	F. Vis	Filtrate
0'	800'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC
800'	11,150'	Oil Based Mud	8.7-9.2	28 - 30	25-30
11,150'	12,300'	Oil Based Mud	9.5-13.5	70 - 75	25 - 30
12,300'	22,300'	Oil Based Mud	9.5-13.5	70 - 75	25 - 30

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 at intermediate TD is:	5750	psi
No abnormal pressures or temperatures are expected	I. Estimated BHP at production TD is:	8650	psi

b. Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered

Tenaris

Casing and Tubing Performance Data

		=	BODY DAT	A	
Outside Diameter	9.625 in	Wall Thickness	0.435 in	API Drift Diameter	8.599 in
Nominal Weight	43.50 lbs/ft	Nominal ID	8.755 in	Alternative Drift Diameter	8.625 in
Plain End Weight	42.73 lbs/ft	Nominal cross section	12.559 in		
		PE	RFORMANCI		
Steel Grade	L80	Minimum Yield	80,000 psi	Minimum Ultimate	95,000 psi
Tension Yield	1,005,000 ir	Internal Pressure Yield	6,330 psi	Collapse Pressure	3,810 psi
Available Seamless	Yes	Available Welded	No		
		CONN	ECTION DA	ТА	
TYPE: LTC		c	SEOMETRY		
Coupling Reg OD	10.625 in	Threads per in	8	Thread turns make up	3.5
		PE	RFORMANCI		
Steel Grade	L80	Coupling Min Yield	80,000 psi	Coupling Min Ultimate	95,000 psi
Joint Strength	813,000 lbs			Internal Pressure Resistance	6,330 psi

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

January 18 2016



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Connection: TenarisXP® BTC Casing/Tubing: CAS Coupling Option: REGULAR

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

		GEOME	TRY						
Nominal OD	5.5 00 in.	Nominal Weight	20.00 lbs/ft	Standard Drift Diameter	4 .653 in.				
Nominal ID	4.77 8 in.	Wall Thickness	0,361 in.	Special Drift Diameter	N/A				
Plain End Weight	19.83 lbs/ft								
		PERFORM	ANCE						
Body Yield Strength	729 x 1000 lbs	Internal Yield	14360 psi	SMYS	125 000 psi				
Collapse	12100 psi								
				2 M A					
	1.EI	GEOME		ATA					
Connection OD	6.100 in.	Coupling Length	9.450 in.	Connection ID	4.766 in.				
Critical Section	6.100 m.	Coupling Length	9,430 m.	Connection ID	4.700 11.				
Area	5.828 sq. in.	Threads per in.	5.00	Make-Up Loss	4.204 in.				
	PERFORMANCE								
Tension Efficiency	100 %	Joint Yield Strength	729 x 1000 Ibs	Internal Pressure Capacity ^(<u>1</u>)	14 36 0 psi				
Structural Compression Efficiency	100 %	Structural Compression Strength	729 × 1000 Ibs	Structural Bending ^(<u>2</u>)	104 °/100 ft				
External Pressure Capacity	121 00 psi				5				
	E	STIMATED MAKE I	JP TORQUES	85					
	11540 ft-lbs	Optimum	12820 ft-lbs	Maximum	14100 ft-lbs				
Minimum		ODEDATIONALLY	MITTORQUES						
Minimum		OPERATIONAL (I)							
Minimum Operating Torque	22700 ft-lbs	Yield Torque	25250 ft-lbs						

(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>





CONTITECH RUBBER	No:QC-DB- 231/ 2014
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ContiTech

Hose Data Sheet

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CRI Order No.	538332				
Customer	ContiTech Oil & Marine Corp.				
Customer Order No	4500412631 CBC544771, CBC544769, CBC544767, CBC544763, CBC544768, CBC544745, CBC544744, CBC544746				
Item No.	1				
Hose Type	Flexible Hose				
Standard	API SPEC 16 C				
Inside dia in inches	3				
Length	45 ft				
Type of coupling one end	FLANGE 4.1/16" 10KPSI API SPEC 17D SV SWIVEL FLANGE SOURC/W BX155 ST/ST INLAID R.GR.				
Type of coupling other end	FLANGE 4.1/16" 10KPSI API SPEC 17D SV SWIVEL FLANGE SOUR C/W BX155 ST/ST INLAID R.GR.				
H2S service NACE MR0175	Yes				
Working Pressure	10 000 psi				
Design Pressure	10 000 psi				
Test Pressure	15 000 psi				
Safety Factor	2,25				
Marking	USUAL PHOENIX				
Cover	NOT FIRE RESISTANT				
Outside protection	St.steel outer wrap				
Internal stripwound tube	No				
Lining	OIL + GAS RESISTANT SOUR				
Safety clamp	Yes				
Lifting collar	Yes				
Element C	Yes				
Safety chain	Yes				
Safety wire rope	No				
Max.design temperature [°C]	100				
Min.design temperature [°C]	-20				
Min. Bend Radius operating [m]	0,90				
Min. Bend Radius storage [m]	0,90				
Electrical continuity	The Hose is electrically continuous				
Type of packing	WOODEN CRATE ISPM-15				



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ContiTech

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE						10:	594			
PURCHASER:	Dil & Marine Corp.			P.O. Nº:		4500412631				
CONTITECH ORDER Nº: 538332		HOSE TYPE: 3" ID		Choke &		Kill Hose				
HOSE SERIAL Nº:	NOMINAL / AC	TUAL LE	NGTH:	13,72 m / 13,85 m						
W.P. 68,9 MPa 1	0000 psi	T.P. 103,4	MPa	1500)O psi	Duration:	60	min.		
ambient temperature See attachment. (1 page) \uparrow 10 mm = 10 Min. \rightarrow 10 mm = 25 MPa										
→ 10 mm = 25 MPa COUPLINGS Type		Serial Nº			Quality		Heat N°	Heat N°		
3" coupling with		1435	1436		AIS	4130 A1258U				
4 1/16" 10K API Swivel Flange end						SI 4130 03493		_		
Hub AISI 4130 A1045N Not Designed For Well Testing API Spec 16 C										
Tag No.: 66 – 1198 Temperature rate:"B'								"B"		
All metal parts are flawless										
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.										
STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.										
Date: Inspector 03. April 2014.			Quality Control ContiTech Rubber Industrial Kft. Quality Control Dept. (1) ContiTech Rubber Judity Control Dept. (1) ContiTech Rubber Judity Control Dept. (1) ContiTech Rubber							

ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE No:

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No: 594, 596, 597

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