

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

HOBBS OCD
MAY 08 2018
RECEIVED

5. Lease Serial No.
NMNM27506

6. If Indian, Allottee or Tribe Name

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

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	8. Well Name and No. Multiple--See Attached
2. Name of Operator CHEVRON USA INCORPORATED	9. API Well No. Multiple--See Attached
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	10. Field and Pool or Exploratory Area WC025G09S263327G-UP WOLFCAMP
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached	11. County or Parish, State LEA COUNTY, NM

Carlsbad Field Office
OCD Hobbs

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 Change to Original A PD
	<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 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 must 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 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.

We are requesting a variance to the original APD to use the spudder rig to pre-set surface casing.

See attachments for detailed program and rig layout.

This request applies to the following wells on this pad:

- SD EA 18 19 FED COM P13 8H - 30-025-44113
- SD EA 18 19 FED COM P13 9H - 30-025-44129
- SD EA 18 19 FED COM P13 10H - 30-025-44130
- SD EA 18 19 FED COM P13 11H - 30-025-44131

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #412572 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by ZOTA STEVENS on 04/30/2018 (18ZS0067SE)**

Name (Printed/Typed) LAURA BECERRA	Title PERMITTING SPECIALIST
Signature (Electronic Submission)	Date 04/26/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ZOTA STEVENS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>04/30/2018</u>
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.

(Instructions on page 2)

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

Additional data for EC transaction #412572 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM27506	NMNM27506	SD EA 18 19 FED COM P13 8H	30-025-44113-00-X1	Sec 18 T26S R33E 455FNL 1151FWL 32.049530 N Lat, 103.616096 W Lon
NMNM27506	NMNM27506	SD EA 18 19 FED COM P13 10H	30-025-44130-00-X1	Sec 18 T26S R33E 455FNL 1201FWL 32.049530 N Lat, 103.615936 W Lon
NMNM27506	NMNM27506	SD EA 18 19 FED COM P13 11H	30-025-44131-00-X1	Sec 18 T26S R33E 455FNL 1226FWL 32.049530 N Lat, 103.615852 W Lon
NMNM27506	NMNM27506	SD EA 18 19 FED COM P13 9H	30-025-44129-00-X1	Sec 18 T26S R33E 455FNL 1176FWL 32.049530 N Lat, 103.616013 W Lon

Chevron U.S.A. Inc. (CUSA)
SUNDRY ATTACHMENT: SPUDDER RIG

DATA OPERATOR NAME: Chevron U.S.A. Inc.

1. SUMMARY OF REQUEST:

CUSA respectfully requests approval for the following operations for the surface hole in the drill plan:

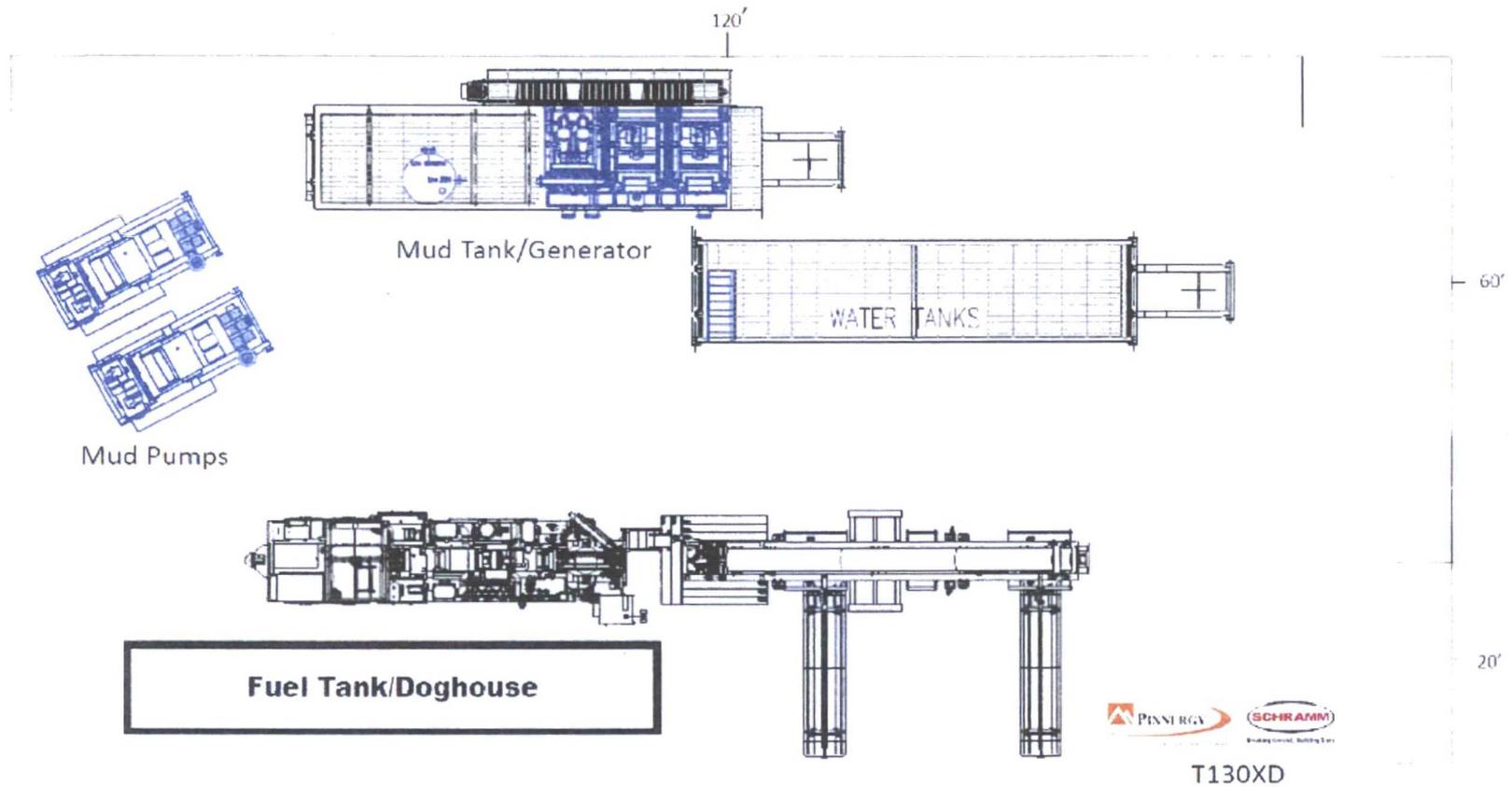
1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations

1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run casing and cement following all the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and then tested offline after the WOC time has been reached.
3. An abandonment cap at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on one wing-valve.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. Spudder rig operations are expected to take 2-3 days per well on the pad.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling operations will begin with a larger rig and a BOP stack equal to or greater than the pressure rating that was permitted will be nipped up and tested on the wellhead before drilling operations resume on each well.
 - a. The larger rig will move back onto the location within 90 days from the point at which the wells are secured and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set locations.
7. CUSA will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, CUSA will secure the wellhead area by placing a guard rail around the cellar area.

Pad Name	Well No.	Surface Rig Start	Surface Rig Finish	Surface Rig Duration (Days)	Larger Dev Rig Spud Date	Well Status	Days Between Rigs	APD Approved	APD Expires	Lease Status
SD EA 18 19 FED P14	12H – 15H	5/4/2018	5/12/2018	8	3/25/2019	SI	317	10/11/2017	10/11/2019	Held by production by existing producing wells
SD EA 18 19 FED COM P13	8H – 11H	5/12/2018	5/20/2018	8	2/22/2019	SI	278	9/28/2017	9/28/2019	Held by production by existing producing wells
SD EA 29 32 FED COM P10	17H – 20H	5/20/2018	5/28/2018	8	10/4/2018	SI	129	2/8/2018	2/8/2020	Held by production by existing producing wells
SD EA 29 32 FED COM P11	13H – 16H	5/28/2018	6/5/2018	8	11/6/2018	SI	154	12/20/2017	12/20/2019	Held by production by existing producing wells

Surface Rig Layout



**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Chevron USA Inc
LEASE NO.:	NM27506
WELL NAME & NO.:	SD EA 18 19 Fed P13 – Multiwells pad
SURFACE HOLE FOOTAGE:	
BOTTOM HOLE FOOTAGE:	
LOCATION:	Sec. 18, T. 26 S, R. 33 E
COUNTY:	Lea County, New Mexico

Generate

All other COA still applied except the following:

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. The operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. The operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

ZS 043018