

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
MAR 12 2019
RECEIVED

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. NMLC061936
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: LAURA BECERRA E-Mail: LBECCERRA@CHEVRON.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 6301 DEAUVILLE BLVD MIDLAND, TX 79706	3b. Phone No. (include area code) Ph: 432-687-7655	8. Well Name and No. CO GRIZZLY 3 27 FED 0052H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T25S R32E SENE 2640FNL 1090FEL 32.159538 N Lat, 103.657631 W Lon		9. API Well No. 30-025-45486-00-X1
		10. Field and Pool or Exploratory Area COTTON DRAW
		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 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
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Change to Original APD
	<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.

CHEVRON RESPECTFULLY REQUEST A CORRECTION TO THE ORIGINALLY APPROVED WELL NAME.

CORRECT WELL NAME: CO GRIZZLY 3 10 FED 0052H

ATTACHED YOU WILL FIND THE WELL PLAT AS WELL AS THE AMENDED GAS CAPTURE PLAN.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #450876 verified by the BLM Well Information System For CHEVRON USA INCORPORATED, sent to the Hobbs Committed to AFMS for processing by PRISCILLA PEREZ on 01/28/2019 (19PP0774SE)	
Name (Printed/Typed) LAURA BECERRA	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 01/16/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ZOTA STEVENS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>02/21/2019</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 <u>Hobbs</u>

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 ****

KCC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45486	² Pool Code 96715	³ Pool Name WC-025 G-06 S253206M; BONE SPRING
⁴ Property Code 323141	⁵ Property Name CO GRIZZLY 3 10 FED	
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	
		⁶ Well Number 0052H
		⁹ Elevation 3495'

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
H	3	25 SOUTH	32 EAST, N.M.P.M.		2640'	NORTH	1090'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

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O	10	25 SOUTH	32 EAST, N.M.P.M.		100'	SOUTH	1782'	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">CO GRIZZLY 3 10 FED 0052H WELL</th> <th colspan="2">PROPOSED BOTTOM HOLE LOCATION</th> </tr> <tr> <td>X= 709,250 NAD 27</td> <td>Y= 422,373</td> <td>X= 708,573 NAD 27</td> <td>Y= 414,545</td> </tr> <tr> <td>LAT. 32.159414</td> <td>LONG. 103.657155</td> <td>LAT. 32.137907</td> <td>LONG. 103.659501</td> </tr> <tr> <td>X= 750,436 NAD83</td> <td>Y= 422,431</td> <td>X= 749,759 NAD83</td> <td>Y= 414,603</td> </tr> <tr> <td>LAT. 32.159538</td> <td>LONG. 103.657632</td> <td>LAT. 32.138031</td> <td>LONG. 103.659977</td> </tr> <tr> <td colspan="4" style="text-align: center;">ELEVATION +3495' NAVD 88</td> </tr> <tr> <th colspan="2">PROPOSED FIRST TAKE POINT</th> <th colspan="2">PROPOSED LAST TAKE POINT</th> </tr> <tr> <td>X= 708,556 NAD 27</td> <td>Y= 422,036</td> <td>X= 708,572 NAD 27</td> <td>Y= 414,775</td> </tr> <tr> <td>LAT. 32.158500</td> <td>LONG. 103.659407</td> <td>LAT. 32.138539</td> <td>LONG. 103.659502</td> </tr> <tr> <td>X= 749,741 NAD83</td> <td>Y= 422,095</td> <td>X= 749,757 NAD83</td> <td>Y= 414,833</td> </tr> <tr> <td>LAT. 32.158624</td> <td>LONG. 103.659884</td> <td>LAT. 32.138664</td> <td>LONG. 103.659977</td> </tr> </table> <p style="text-align: center;">CORNER COORDINATES TABLE (NAD 27)</p> <p>A - Y=424972.86, X=705081.74 B - Y=425024.01, X=710361.63 C - Y=419689.78, X=704990.58 D - Y=419739.04, X=710319.17 E - Y=414410.73, X=705027.26 F - Y=414462.06, X=710355.81</p>	CO GRIZZLY 3 10 FED 0052H WELL		PROPOSED BOTTOM HOLE LOCATION		X= 709,250 NAD 27	Y= 422,373	X= 708,573 NAD 27	Y= 414,545	LAT. 32.159414	LONG. 103.657155	LAT. 32.137907	LONG. 103.659501	X= 750,436 NAD83	Y= 422,431	X= 749,759 NAD83	Y= 414,603	LAT. 32.159538	LONG. 103.657632	LAT. 32.138031	LONG. 103.659977	ELEVATION +3495' NAVD 88				PROPOSED FIRST TAKE POINT		PROPOSED LAST TAKE POINT		X= 708,556 NAD 27	Y= 422,036	X= 708,572 NAD 27	Y= 414,775	LAT. 32.158500	LONG. 103.659407	LAT. 32.138539	LONG. 103.659502	X= 749,741 NAD83	Y= 422,095	X= 749,757 NAD83	Y= 414,833	LAT. 32.158624	LONG. 103.659884	LAT. 32.138664	LONG. 103.659977		<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;"> 4/30/2018 Date </p> <p>Signature _____ Printed Name Laura Becerra E-mail Address LBecerra@Chevron.com</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p style="text-align: right;"> 01/09/2018 Date of Survey Signature and Seal of Professional Surveyor 23006 Certificate Number </p>
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Energy, Minerals and Natural Resources Department

Submit Original
to Appropriate
District Office

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

GAS CAPTURE PLAN

Original Operator & OGRID No.: CHEVRON U S A INC 4323
 Amended Date: 1/11/2019
Reason for Amendment: Well names for wells 052H, 055H, 057H and 510H need to be corrected

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

Well(s)/Production Facility – Cotton Draw CTB 3

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
CO Grizzly 3 27 FED 0051H	30-025-45485	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,040' FEL	5,000	0	
CO Grizzly 3 10 FED 0052H	30-025-45486	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,090' FEL	5,000	0	
CO Grizzly 3 10 FED 0055H	30-025-45487	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,115' FEL	5,000	0	
CO Grizzly 3 34 FED 0057H	30-025-45488	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,015' FEL	5,000	0	
CO Grizzly 3 34 FED 00510H	30-025-45489	UL:H, SEC 3, T25S- R32E	2,640' FNL, 1,065' FEL	5,000	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa Delaware, LLC ("Targa") and connected to Targa's high pressure gathering system located in Lea County, New Mexico. Chevron will periodically provide Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Chevron and Targa will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Falcon Gas Plant North located in the south 1/2 of Sec.4, Block 58-T1, Culberson County, Texas. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, wells will be turned to permanent production facilities. Wells will have temporary sand catchers that will be installed at the well location to prevent sand from getting into the flowlines. These sand separators will be blown down periodically which will result in minimal venting of gas. Gas sales will start as soon as the wells start flowing through the production facilities, unless there are operational issues on Targa's system at that time. Based on current information, it is Chevron's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines