Form 3160-5
(June 2015)

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
MAR 05 2020
RECEIVED

5. Lease Serial No.
NMNM118722

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Multiple--See Attached

2. Name of Operator
CHEVRON USA INC
Contact: LAURA BECERRA
E-Mail: LBECERRA@CHEVRON.COM

9. API Well No.
Multiple--See Attached

3a. Address
1616 W. BENDER BLVD
HOBBS, NM 88240

3b. Phone No. (include area code)
Ph: 432-687-7665

10. Field and Pool or Exploratory Area
ANTELOPE RIDGE-WOLFCAMP

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Multiple--See Attached

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Onshore Order Variance
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.

25-4626

Chevron formally requests to follow Onshore Order 2 Section "B - Casing and Cementing Requirements" to wait to 500 psi compressive strength (CS) of the tail cement slurry, for primary cement operations in both the Surface and Intermediate casing string(s). A copy of the proposed program is attached to this request.

We are also requesting a variance from the Onshore Order 2 where it states: "(A full BOP Test)shall be performed: when initially installed and whenever any seal subject to test pressure is broken." We propose to break test if able to finish the next hole section within 21 days of the previous full BOP test. No BOP components nor any break will ever surpass 21 days between testing. A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized. Time between tests for a single test or full test will not exceed 21 days.

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

Electronic Submission #503959 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 02/21/2020 (20PP1365SE)

Name *(Printed/Typed)* LAURA BECERRA — Title REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 02/21/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By NDUNGU KAMAU — Title PETROLEUM ENGINEER — Date 02/24/202

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 #503959 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM118722	NMNM118722	SD 15 FED P418 8H	30-025-46726-00-X1	Sec 15 T26S R32E SWSE 574FSL 2576FEL 32.037167 N Lat, 103.662506 W Lon
NMNM118722	NMNM118722	SD 15 FED P418 9H	30-025-46728-00-X1	Sec 15 T26S R32E SWSE 574FSL 2551FEL 32.037167 N Lat, 103.662422 W Lon
NMNM118722	NMNM118722	SD 15 FED P418 10H	30-025-46729-00-X1	Sec 15 T26S R32E SWSE 574FSL 2526FEL 32.037167 N Lat, 103.662346 W Lon

32. Additional remarks, continued

Details of these changes and revised 9 Pt. Drilling Plans for the wells below are attached to this request.

SD 15 FED P418 8H - 30-025-46726
SD 15 FED P418 9H - 30-025-46728
SD 15 FED P418 10H - 30-025-46729

Revisions to Operator-Submitted EC Data for Sundry Notice #503959

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	VARI NOI	VARI NOI
Lease:	NMNM118722	NMNM118722
Agreement:		
Operator:	CHEVRON USA INC 6301 DEAUVILLE BLVD MIDLAND, TX 79706 Ph: 432-687-7665	CHEVRON USA INC 1616 W. BENDER BLVD HOBBS, NM 88240 Ph: 575-263-0431
Admin Contact:	LAURA BECERRA REGULATORY SPECIALIST E-Mail: LBECERRA@CHEVRON.COM Ph: 432-687-7665	LAURA BECERRA REGULATORY SPECIALIST E-Mail: LBECERRA@CHEVRON.COM Ph: 432-687-7665
Tech Contact:	LAURA BECERRA REGULATORY SPECIALIST E-Mail: LBECERRA@CHEVRON.COM Ph: 432-687-7665	LAURA BECERRA REGULATORY SPECIALIST E-Mail: LBECERRA@CHEVRON.COM Ph: 432-687-7665
Location: State: County:	 NM LEA	 NM LEA
Field/Pool:	ANTELOPE RIDGE;UPR WOLFC	ANTELOPE RIDGE-WOLFCAMP
Well/Facility:	SD 15 FED P418 8H Sec 15 T26S R32E Mer NMP SWSE 574FSL 2576FEL	SD 15 FED P418 8H Sec 15 T26S R32E SWSE 574FSL 2576FEL 32.037167 N Lat, 103.662506 W Lon SD 15 FED P418 9H Sec 15 T26S R32E SWSE 574FSL 2551FEL 32.037167 N Lat, 103.662422 W Lon SD 15 FED P418 10H Sec 15 T26S R32E SWSE 574FSL 2526FEL 32.037167 N Lat, 103.662346 W Lon

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	CHEVRON USA INCORPORATED
LEASE NO.:	NMNM118722
LOCATION:	Section 15, T.26 S., R.32 E., NMP
COUNTY:	Lea County, New Mexico

WELL NAME & NO.:	SD 15 FED P418 8H
SURFACE HOLE FOOTAGE:	574'/S & 2576'/E
BOTTOM HOLE FOOTAGE	25'/N & 990'/W

WELL NAME & NO.:	SD 15 FED P418 9H
SURFACE HOLE FOOTAGE:	574'/S & 2551'/E
BOTTOM HOLE FOOTAGE	25'/N & 1650'/W

WELL NAME & NO.:	SD 15 FED P418 10H
SURFACE HOLE FOOTAGE:	574'/S & 2526'/E
BOTTOM HOLE FOOTAGE	25'/N & 2310'/W

A. CASING

Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **630** feet (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
    b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
    d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The **9-5/8** inch intermediate casing shall be set at approximately **4475** feet. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

b. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.
  Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

❖ In Critical Cave/Karst Areas cement must come to surface on the first three casing strings.

3. The minimum required fill of cement behind the **7-5/8** inch production casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

b. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.

4. The minimum required fill of cement behind the **5 1/2 x 5** inch production casing is:

   - Cement should tie-back **200 feet** into the previous casing. Operator shall provide method of verification.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.

b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

   a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
   b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
   c. Manufacturer representative shall install the test plug for the initial BOP test.
   d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

C. SPECIAL REQUIREMENT (S)

BOP Break Testing Variance (Note: For 5M BOP or less)

- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOP Break Testing operations.
- A full BOP test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOP test will be required.

Delaware Basin
Variance/Sundry for Federal Well

Well Names:

Well Name		API
SD 15 FED P418	8H	30-025-46726
SD 15 FED P418	9H	30-025-46728
SD 15 FED P418	10H	30-025-46729

Rig: Nabors X30

CVX CONTACT:

Cody Leathers
D&C Engineer – Nabors X30
Chevron North America Exploration and Production Co.
MidContinent Business Unit
1400 Smith St, Houston, TX
Office: 713.372.8263
CodyLeathers@chevron.com

Summary of Changes to APD Submission or APD Variance

Full BOP test for all connection/seal breaks:

Chevron respectfully request to vary from the Onshore Order 2 where it states: *"(A full BOP Test) shall be performed: when initially installed and whenever any seal subject to test pressure is broken."*

We propose to break test if able to finish the next hole section within 21 days of the previous full BOP test. No BOP components nor any break will ever surpass 21 days between testing. A break test will consist of a 250 psi low / ≥ 5,000 psi high for 10 min each test against the connection that was broken when skidding the rig. Upon the first nipple up of the pad a full BOP test will be performed. A break test will not be performed on our last production section. A break test will only be performed on operations where BLM documentation states a 5M or less BOP can be utilized. We will test seals that have been broken individually between full BOP tests. Time between tests for a single test or full test will not exceed 21 days.

See drilling sequence below in **red** where it indicates the potential hole sections break testing can be performed given, they meet the above criteria.

	8H	9H	10H
Surface	3	2	1
Intermediate	4	**5**	**6**
Production	**7**	**8**	9

Delaware Basin
Variance/Sundry for Federal Well

Well Names:

Well Name		API
SD 15 FED P418	8H	30-025-46726
SD 15 FED P418	9H	30-025-46728
SD 15 FED P418	10H	30-025-46729

Rig: Nabors X30

CVX CONTACT:

Cody Leathers
D&C Engineer – Nabors X30
Chevron North America Exploration and Production Co.
MidContinent Business Unit
1400 Smith St, Houston, TX
Office: 713.372.8263
CodyLeathers@chevron.com

Request for execution

Chevron would like to formally request to follow Onshore Order 2 Section "B - Casing and Cementing Requirements" to wait to 500 psi compressive strength (CS) of the tail cement slurry, for primary cement operations in both the Surface and Intermediate casing string(s). WOC time is considered the time between bumping the plug (cement in place), until beginning to drill the shoe track. This will ensure that cement will be at sufficient strength prior to performing a shoe test and drilling ahead through the next hole section.

Sample engineering lab tests may be seen below, as provided by the cementing provider. Note: these numbers will vary slightly based on actual casing set depths and finlized cement lab tests for the particular slurry. Finalized 500 psi compressive strength times will be found on location with the Chevron Drill Site Representative via the cementing labs, Drilling Program and/or POA's (Plan of Action).

BJ

PERMIAN REGION LAB
Cement Lab Report

Phone: (620) 262-2244

Test Number: **Test Date:**
Report Number:

WELL INFORMATION

Operator: Chevron **County:**
API #: **State:** NM
Well Name: **Requested By:**
Slurry Type: Tail **TVD:** **MD:**
Blend Type: Field **District:** Odessa
Comments: 10SEC: 22 10MIN: 23 10RPM: 34 10RPM@141F: 32

TEST DATA AND SCHEDULE

Time To Temp (min):	137	**Mud Density (lb/gal):**	9
Initial Press (psi):	610	**Mix Water Density (lb/gal):**	8.34
Final Press (psi):	5824	**Mix Water Type:**	Rig Water
BHST (deg F):	155	**Surf Temp (deg F):**	80
BHCT (deg F):	141	**Job Type:**	Intermediate

Comments: UCA: 80F to 155F in 4hrs. Apply full PSI from start of 5529psi

SLURRY AND TEST RESULTS

Vendor: GCC
Slurry: Class 'C' + 0.10% FL-66 + 0.30% CD32A + 0.05% ASA-301 + 0.70% SMS + 0.75% R-21 + 0.005 gps FP-6L + 0.005 lb/sk Static Free

Density: 14.8 lb/gal **Pump Time (50 Bc):**
Yield: 1.339 CuFt/sk **Pump Time (70 Bc):** 3:50
Mix Water: 6.284 gal/sk (55.76%) **Pump Time (100 Bc):**
Total Mix Liquid: 6.289 gal/sk
Fluid Loss: cc/30 min **Free Water (ml):** 0 (Tested at 45 ° Angle)

Compressive Strength

Temp	Time	Strength	Type
155	4:47	50	UCA
155	5:03	250	UCA
155	5:26	500	UCA
155	12	1515	UCA

Rheology (PL=Power Law, BP= Bingam Plastic)

Temp	600	300	200	100	6	3	n'	k'	Yp	Pv	Best
80	102	67	55	42	27	22	0.216	0.168	29.0	40.5	BP
80	102	65	53	40	26	21	0.217	0.161	27.6	39.6	BP
ave	102	66	54	41	27	22	0.211	0.169	28.7	39.6	BP
141	87	63	45	36	23	18	0.226	0.138	23.3	39.3	BP