

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date:

Application Type:

☐ P&A ☐ Drilling/Casing Change ☒ Recomplete/DHC
☐ Location Change ☐ Other:

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-20497-00-00	RINCON UNIT	192	CHEVRON MIDCONTINENT, L.P.	G	A	Rio Arriba	F	K	1	26	N	7	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide evidence of adequate cement (CBL) 500 feet above and 50 feet below proposed completed interval prior to perforations to agencies

Provide a current C102 for the Largo Gallup Pool

File C104 and Completion report for approval before returning to production

NMOCD Approved by Signature

March 26, 2014
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 reverse side.**5. Lease Serial No.
NMSF079160

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A/Agreement, Name and/or No.
892000916A8. Well Name and No.
RINCON UNIT 1929. API Well No.
30-039-20497-00-S110. Field and Pool, or Exploratory
BASIN DAKOTA11. County or Parish, and State
RIO ARriba COUNTY, NM1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
CHEVRON MIDCONTINENT, LP
Contact: APRIL E POHL
E-Mail: april.pohl@chevron.com3a. Address
332 ROAD 3100
AZTEC, NM 874103b. Phone No. (include area code)
Ph: 505.333.1941

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 1 T26N R7W NESW 1700FSL 1700FWL
36.511688 N Lat, 107.529297 W Lon

12. CHECK 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"/> Fracture Treat	<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 checked="" type="checkbox"/> Recomplete	<input 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 would like to complete the downhole commingle production for the Largo Gallup Gas Pool with existing Basin Dakota production in the Rincon 192 well. DHC 1918 was approved in 1998 but the first attempt at commingling was unsuccessful as subsequent documents accepted for record November 1998 reveal. Please see attached documents.

RCVD MAR 25 '14
OIL CONS. DIV.
DIST. 3

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

**Electronic Submission #239478 verified by the BLM Well Information System
For CHEVRON MIDCONTINENT, LP, sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 03/21/2014 (14SXM0645SE)**

Name (Printed/Typed) APRIL E POHL

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 03/20/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USEApproved By STEPHEN MASONTitle PETROLEUM ENGINEERDate 03/21/2014

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 Farmington

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.

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

NMOCDA

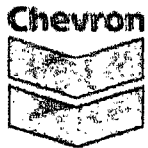
Rincon 192 Procedure

Job Scope – Complete the Largo Gallup and Install Artificial Lift

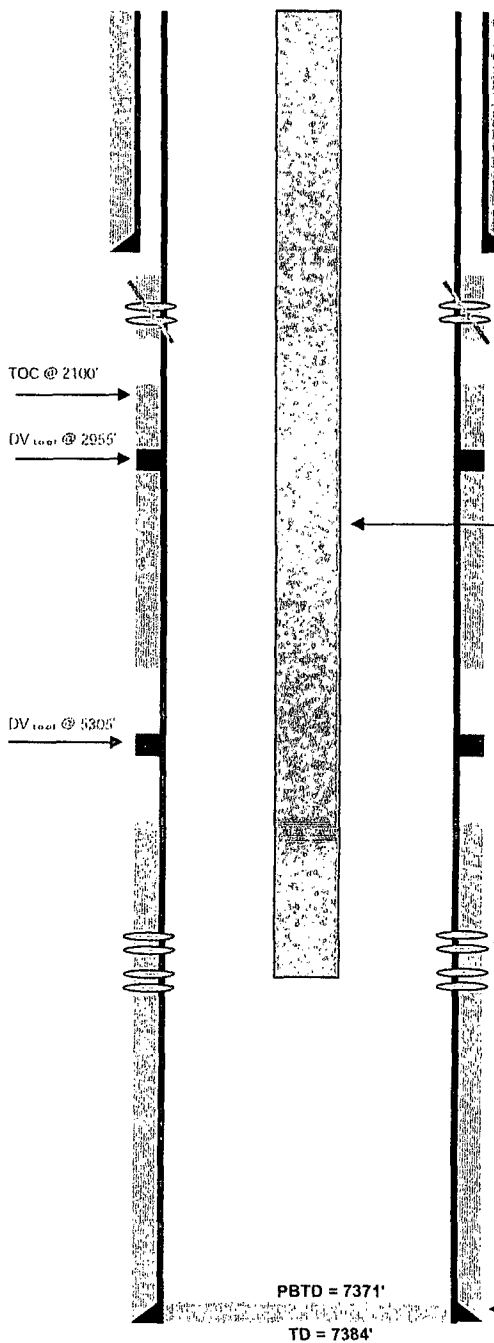
Procedure

- MIRU workover rig
- MIRU BOP tester. Test BOP's.
- Spot and fill frac tanks
- ND wellhead.
- NU BOP's
- Tag for fill with workstring
- POOH with tubing
- Lay down tubing order out new or yellow band 2-3/8" to be used as production string
- PU workstring
- PU and RIH with bit and watermelon mill on workstring.
- CO to 7371'. Proposed perforations are 6529'-6570'
- POOH and lay down bit and watermelon mill
- MIRU wireline unit.
- PU and RIH with CBP on wireline
- Run CCL and set CBP @ ~ 6629' (100' below proposed perforations)
- Correlate to GR/CCL logs
- Perforate – proposed perforations 6529'-6570'
- RDMO wireline unit
- MIRU flow back equipment
- MIRU Frac company
- Frac
- RDMO frac equipment
- Flow well back for 24 hrs or until well dies
- MIRU slick line
- PU and RIH with pressure bombs on slick line for 24 hr test.
- SI well for 24hrs
- TIH with workstring
- MIRU air/foam unit for cleanout
- Clean out to CBP, drill out CBP and attempt to cleanout to PBTD of 7371'
- If scale is present during cleanout out consider an acid treatment
- POOH with workstring
- RIH with production tubing and BHA
- ND BOP and NU wellhead
- Rig up Rig up Baker and pump ½ drum of corrosion inhibitor down the tubing and ½ drum of corrosion inhibitor down the casing chase each with 5 bbls of water.

- RIH with pump on rod string
- Space out pump
- Seat pump, load tubing and test
- RDMO workover rig and clean location
- Install pumping unit
- Turn well over to production



Rincon 192
Rio Arriba County, New Mexico
Current Well Schematic as of December 20, 2009



API: 30-039-20497
Legals: Sec. 1, T26N, R7W
Field: Basin

KB 12'
KB Elev
GR Elev

Spud Date: 5/23/72
Compl Date: 6/20/72
Spacing

Formations	Top
Pictured Cliffs	2742
Chacra	3650
Mesa Verde	4434
Point Lookout	5033
Gallup	6070
Greenhorn	6930
Graneros	6990
Dakota	7142

Surface Casing:
9 5/8" 32.3# H-40, 6 jts @ 202' in 13 3/4" hole
225 ft3, clrc to surf

2 shot sqz perfs @ 680' (9/28/98)
203 sx Class B w/2% CaCl2 mixed at 15.6 ppg (190 sx in formation)

on plunger lift

Tubing (10/5/1998):
2 3/8" N-80, 60 jts, 1827.97'
2 3/8" J-55, 173 jts, 5380.56'
2 3/8" 1.1' S.N. w/WL re-entry
EOT @ 7219.63'

ran CBL/GR/CCL from 7000-4950'
good: 7000-6700', very poor: 6700-6400', no bond: 6400-4850'

drilled out cmt retainer from 1989

Dakota (6/12/72): 18 shots per zone
7048-7060', 7144-7156', 7174-7182', 7200-7208', 7232-7240'
frac (6/12/72): 50,000# 40/60 sand and 56,000 gal treated water
drop one set 18 balls, flush w/4,800 gal water

Production Casing:
4 1/2" 11.6# and 10.5# K-55, 228 jts total @ 7394' in 6 1/4" hole
1st stage: 361 ft3
2nd stage: 388 ft3
3rd stage: 344 ft3
TOC @ 2100'

Prepared by: Jason Chow
Date: 12/20/2009

Revised by:
Date:

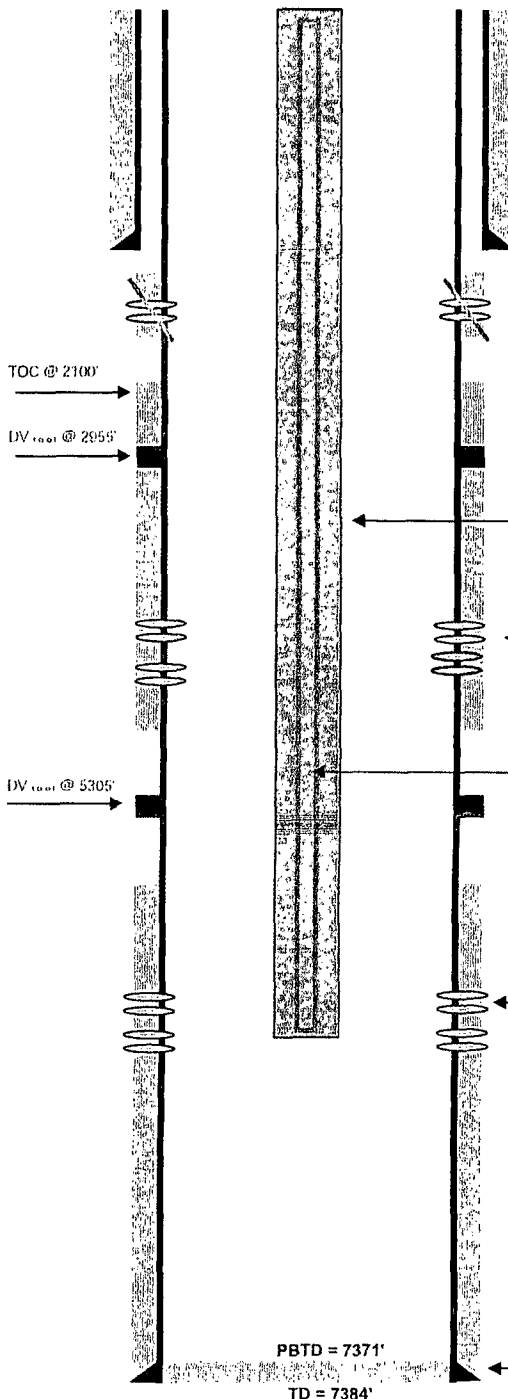


Rincon 192
Rio Arriba County, New Mexico
PROPOSED WBD

API: 30-039-20497
Legals: Sec. 1, T26N, R7W
Field: Basin
KB 12'
KB Elev
GR Elev

Spud Date: 5/23/72
Compl Date: 6/20/72
Spacing

Formations	Top
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EOT @ 7219.63'

PROPOSED GALLUP PERFS
6529'-6570'

PROPOSED ROD'S and PUMP

ran CBL/GR/CCL from 7000-4950'
good: 7000-6700', very poor: 6700-6400', no bond: 6400-4850'

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Prepared by: Jason Chow
Date: 12/20/2009

Revised by:
Date:



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1918

Union Oil Company of California
1004 North Big Spring
P.O. Box 3100
Midland, Texas 79702

Attention: Ms. Heather Dahlgren

RECEIVED
MAY - 1 1993
OIL CON. DIV.
DIST. 3

*Rincon Unit No. 192
API No. 30-039-20497
Unit K, Section 1, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Largo-Gallup (Gas - 80000) and
Basin-Dakota (Prorated Gas - 71599) Gas Pools*

Dear Ms. Dahlgren:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Production from the subject well shall be allocated as follows:

Gas and oil production from the Basin-Dakota Gas Pool shall be determined utilizing the production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas and oil production from the Largo-Gallup Gas Pool shall be determined by subtracting Basin-Dakota Gas Pool production from the well's total monthly oil and gas production.

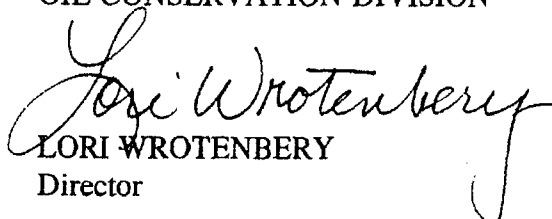
The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 27th day of April, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec /
Bureau of Land Management-Farmington
State Land Office-Oil & Gas Div.