

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: Jan 14, 2014

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
30-039-82373-00-00	RINCON UNIT	176	CHEVRON MIDCONTINENT, L.P.	G	A	Rio Arriba	F	A	31	27	N	6	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations.
Provide CBL to agencies for review prior to perforations.
Note that DHC from Santa Fe has been approved.
File C104 and completion report for Basin Mancos before returning to production.

A handwritten signature in black ink, appearing to read "Wade Hagg", is written over a horizontal line.

NMOCD Approved by Signature

4-1-14
Date

GEOLOGIST DISTRICT #3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
USA SF 078364

6. If Indian, Allottee or Tribe Name

N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CHEVRON MIDCONTINENT, L.P.

3a. Address
1400 Smith Street, Houston, Texas, 77002

3b. Phone No. (Include area code)
(505) 334-7117

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE 1/4 Section 31: 27N 6W NMPM

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

8. Well Name and No.
Rincon 178

9. API Well No.
3003982373

10. Field and Pool or Exploratory Area
Basin Mancos Gas Pool

11. County or Parish, State
Rio Arriba County, New Mexico

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"/> 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 checked="" type="checkbox"/> Other Commingle
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Basin Mancos prod. w/ existing prod.
	<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.)

See attachments for proposed operation details and wellbore diagrams.

Note:

Division Order R-12984-B pre-approves DHC of the Blanco-Mesaverde Gas Pool, the Basin Mancos Gas Pool, and the Basin-Dakota Gas Pool

Completion of the Basin Mancos interval will not reduce the total remaining production value.

Basin Mancos is C3

The incremental allocation method for the addition of the Basin Mancos will be used. Supporting data attached (decline curve). The well currently makes 500 MCFPD and 16 BOPD. Any additional production will be allocated to the Basin Mancos.

BIA Bond Number: RLB0002077; BLM Bond Number: RLB 0002886

Spud Date: July 15, 2014 Rig Release Date: August 15, 2014

RCVD JAN 31 '14
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

April E Pohl

Title *Regulatory Specialist*

Signature *April E Pohl*

Date *1/14/2014*

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title *Geo*

Date *1-29-14*

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 *FFO*

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)

NMOCDV

HOLLAND & HART LLP



Michael H. Feldewert
Recognized Specialist in the Area
of Natural Resources - oil and gas law
New Mexico Board of Legal
Specialization
mfeldewert@hollandhart.com

RECEIVED

January 24, 2014

JAN 27 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Farmington Field Office
Bureau of Land Management

TO: OFFSETTING OPERATORS

RE: Chevron Midcontinent, L.P.'s Applications to Downhole Commingle the Basin Mancos Gas Pool, Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool in the Rincon 183 E and the Rincon 176.

This letter is to advise you that Chevron Midcontinent, L.P. ("Chevron") will be filing the enclosed applications with the New Mexico Oil Conservation Division Aztec District Office within twenty days of the date of this letter. As an operator in an offsetting tract, you are entitled to notice of these applications pursuant to Division Order R-9893.

Any objection to these applications must be provided to the applicant in writing within twenty days from this date of this certified letter. If no objection is received within this twenty-day period, these applications will be submitted to the Division for approval.

If you have any questions about these applications, please contact the following:

Kristen Hunter
Land Representative
Chevron Midcontinent, L.P.
1400 Smith, Rm. 47116
Houston, TX 77002
713-372-1708
Kristen.Hunter@Chevron.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR CHEVRON MIDCONTINENT, L.P.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻



Chevron
332 Road 3100
Aztec, NM 87410

January 9, 2014

Aztec District Office
1000 Rio Brazos Road
Aztec, NM 87410

**Re: Rincon Federal Unit
Rio Arriba County, New Mexico**

To Whom It May Concern:

Chevron Midcontinent, L.P. would like to complete the Basin Mancos interval in its Rincon 176 well and downhole commingle the production with existing production from the Basin Dakota and Blanco Mesaverde intervals. Please see the attached completed C-103 Notice, proposed procedure, wellbore diagrams, and decline curve for the appropriate well information.

Commingle of these zones will not reduce the total remaining production value of the well. Chevron intends to use the incremental allocation method to account for the additional production from the Basin Mancos. This well currently produces ~~500 MCFPD and 16 BOPD~~. Any additional production will be allocated to the Basin Mancos. *about 100 MCFD and 0.5 BOPD* *← BLM changes*

We plan to send notification to all offsetting operators surrounding the wells. In addition, by copy of this letter along with a Sundry 3160-5, we are notifying the BLM of our intent to downhole commingle production for the Rincon 176 well.

Sincerely,

A handwritten signature in cursive script that reads "April E. Pohl".

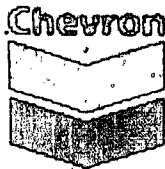
April Pohl
Regulatory Specialist
San Juan Basin

Cc: BLM w/ Sundry 3160-5

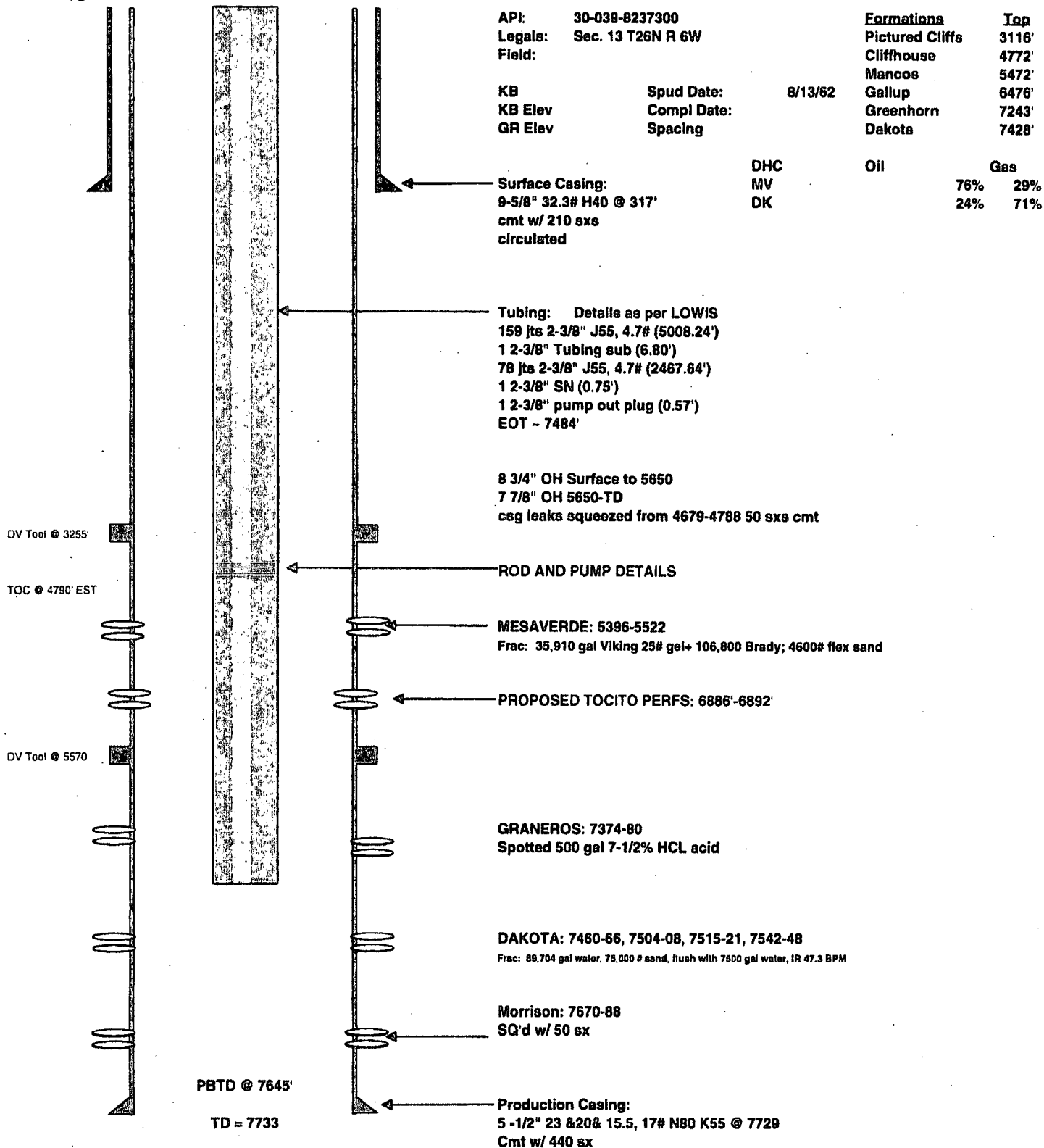
Rincon 176—Basin Mancos Completion and Artificial Lift Installation

Proposed Wellwork Procedure

- MIRU workover rig and equipment
- Spot and fill frac tanks
- ND wellhead. NU BOP's and test BOP's
- RU slick line and pull plunger and BHBS
- RIH with slick line and tag for fill
- RDMO slick line
- RIH with tubing handling equipment
- POOH with 237 jts 2-3/8" tubing and BHA
- Lay down tubing
- Change out BOP rams to handle 2-7/8" workstring
- PU new 2-7/8" workstring
- RIH with bit and scraper on workstring. Clean out to PBTD @ 7645'
- POOH with bit and scraper
- MIRU wireline unit. RIH with 5-1/2" CBP and set at 6992'. Run CCL.
- POOH with wireline and setting tool.
- PU and RIH with GR/CCL log. Log 6992' to 6500'.
- RIH with perf guns. Proposed perfs 6886'-6892'
- RDMO wireline
- PU 5-1/2" packer with two stage equalizing plug on 2-7/8" workstring. TIH and set at 6800'. Pressure test workstring.
- MIRU slick line unit. RIH and pull equalizing prong and POOH. RIH and pull packer plug.
- RDMO slick line
- RD floors and ND annular, set packer and NU frac mandrel. Install frac head or Y
- MIRU flow back equipment
- MIRU frac company. Frac Tocito down workstring
- RDMO frac equipment
- Flow well back for 24 hrs
- MIRU slick line unit
- PU and RIH with pressure bombs on slick line for 24 hour test. SI will for 24 hrs
- POOH with pressure bombs.
- Release packer and TOH. Lay down packer
- MIRU air/foam unit for cleanout.
- Cleanout down to CBP at 6992' and drill out CBP. Clean wellbore out to PBTD of 7645'
- POOH with workstring
- RIH with 2-3/8" tubing and BHA
- ND BOP's and NU wellhead
- RIH with 3/4" rods and pump
- Seat pump, load tubing and test
- RDMO workover rig and equipment
- Install pumping unit

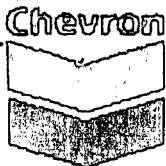


Rincon Unit 176
Rio Arriba County, New Mexico
PROPOSED TOCITO WBD



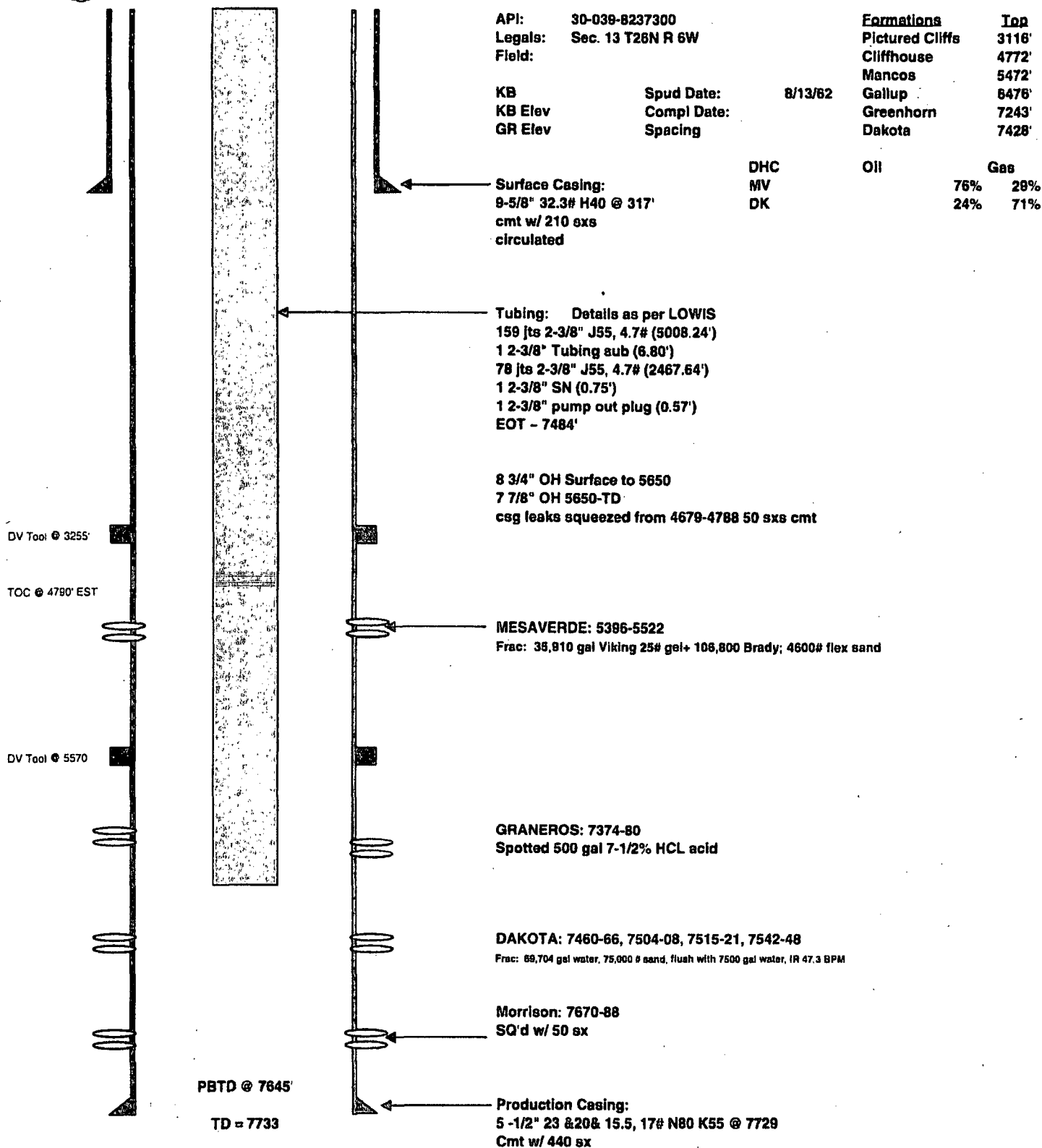
Prepared by: Jamie Elkington
Date: 12/31/2013

Revised by:
Date:



Rincon Unit 176

Rio Arriba County, New Mexico



Prepared by: Jamie Elkington
Date: 12/31/2013

Revised by:
Date:

Name: RINU 176 MV ID: 300398237300 Type: Bore Format: [p] Comp - CDProd vs Time

WELL_LABEL: RINU 176 DK

FIELD_CODE: UL5

PROD_METH: FL

LASTOCUM: 5 65876000

CHEVNO: ER0037

FIELD: FLD-RINCON

CLASS_CODE: GA

LASTGCUM: 2873 43000000

SIDETRACK: 0

LEASE: RINCON UNIT

SAP_CODE: 8CUL50000

CC_NM: RINCON UNIT DAKOTA PA

COMP_NUM: 01

SEC-T-R: 31 - N027 - W006

RES_CODE: 0000005733

RES: DAKOTA

