

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-039-25483

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
EO-3149-0011

7. Lease Name or Unit Agreement Name
Rincon Unit (302737 Prop Code)

8. Well Number
166E

9. OGRID Number
241333

10. Pool name or Wildcat
Basin DK / Blanco MV / Blanco PC

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator
Chevron Midcontinent, L.P. (241333)

3. Address of Operator
PO Box 730, Aztec, NM 87410 (Attn: Michael Murray)

4. Well Location

Unit Letter F : 1815 feet from the North line and 1840 feet from the West line
Section 32 Township 27N Range 06W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
9,950' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Trimingled allocation factors ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The subsequent report of remedial work consisting of converting the dual string well to a trimingled well was sent April 30, 2009 and approved by the NMOCD May 5, 2009. Chevron Midcontinent, L.P. respectfully submits allocation factors for the downhole commingling of the Blanco Pictured Cliffs, Blanco Mesaverde, and Basin Dakota zones resulting from the work in April 2009.

Rincon 166E PC/MV/DK Allocation Factors

	Gas	Oil	Water
Blanco Pictured Cliffs (72439)	33%	0%	0%
Blanco Mesaverde (72319)	23%	47%	50%
Basin Dakota (71599)	44%	53%	50%

OIL CONS. DIV DIST. 3

SEP 15 2016

Spud Date:

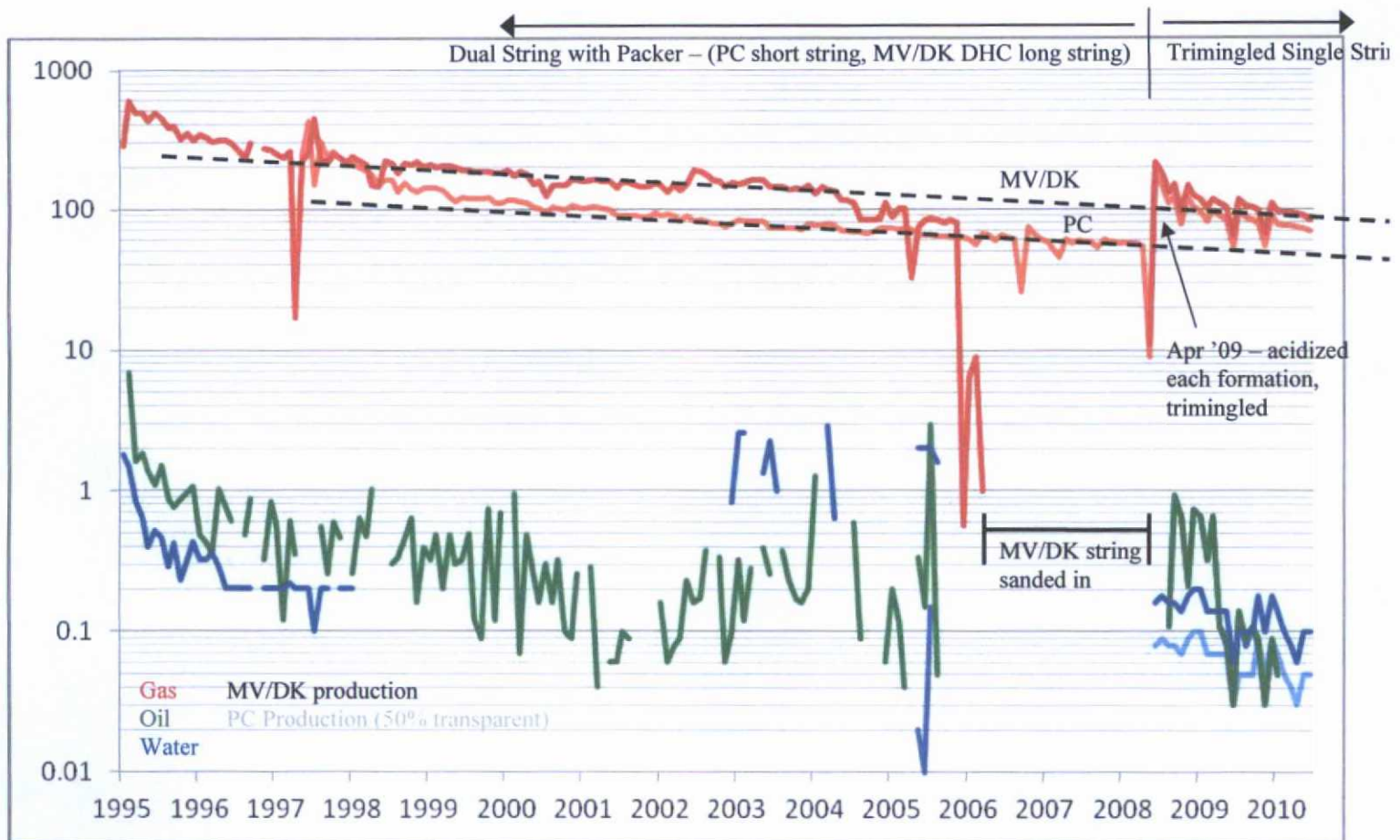
Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE April E Pohl TITLE Permitting Specialist DATE 9/13/2016

Type or print name April E Pohl E-mail address: April.Pohl@chevron.com PHONE: 505-333-1941
For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector,
Conditions of Approval (if any): AV District #3 DATE 9/29/16



In 2006, when the long string producing from the Mesaverde and Dakota was sanded in, zero liquid production came from the well. This matches the fact that the Pictured Cliffs formation in the Rincon Unit makes minimal liquids. The oil uptick in 2008 is due to the flush from the MV/DK string being sanded in for 3 years.

Going forward, it can be thought then that zero liquid should be allocated to the PC after the acid jobs and trimingle in 2009. The oil production then can revert back to the prior 47% Mesaverde and 53% Dakota.

During isolated dual string production before 2004 when the long string showed signs of sanding in, it produced twice the amount of gas as the short string. So $\frac{1}{3}^{\text{rd}}$ of the gas production goes to the PC. The $\frac{2}{3}^{\text{rds}}$ production split between the Mesaverde and Dakota of the long string reverts to the prior allocation of 35% Mesaverde and 65% Dakota.

Pictured Cliffs Gas Production = $\frac{1}{3} = 33\%$

Mesaverde Gas Production = $\frac{2}{3} \times 35\% = 23\%$

Dakota Gas Production = $\frac{2}{3} \times 65\% = 44\%$