

9/21/2015

9/17/2015

SUSPENSE

ENGINEER

MAM

9/17/2015

DHC

TYPE

PHAM1526060382

APP NO

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners[B] ☒ Offset Operators, Leaseholders or Surface Owner[C] ☐ Application is One Which Requires Published Legal Notice[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands State Land Office[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Elizabeth Zuluaga

Print or Type Name

Elizabeth Zuluaga

Signature

TTL Rocky M Area 9/10/15

Title

Date

ezul@chevron.com

e-mail Address

- DHC 916-A

- Chevron Midcontinent, L.P.
241333

Well

- Chevron

Midcontinent, L.P.

241332

- 12 in con unit + 27 in

30-039-25214

Pool

- Basin Dakota (71598)

- Blanco mesquite

72319

- Blanco RC

72439



April E. Pohl
Permitting Specialist

Chevron North America
Exploration and Production Company
(A Chevron U.S.A. Inc. Division)
332 Road 3100
Aztec, New Mexico 87410
Tel: 505-333-1941
Cell: 505-386-8074
Fax: 505-334-7134

*get Admin
checklist*

September 14, 2015

New Mexico Oil Conservation Commission
Engineering Bureau
1220 South St Francis Drive
Santa Fe, NM 87505

Re: Downhole commingle application Rincon 127M

Dear Sirs:

Enclosed please find a downhole commingle request for the Rincon 127M (API 30 039-25214. This well has three zones: the Mesaverde and Dakota are commingled per DHC 916. The Picture Cliffs is a dual completion. That zone is included in PLC 105.

Please see the allocation pages for further information.

Sincerely,

April E. Pohl
Permitting Specialist
332 Road 3100
Aztec, New Mexico 87410
505-333-1941
April.Pohl@chevron.com

Enclosure

RECEIVED OCP
2015 SEP 17 A 3:02

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1230 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☒ Single Well
☒ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Chevron Midcontinent L.P.

332 Road 3100 Aztec, NM 87410

Operator

Address

Rincon

127M

D-28-27N-6W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 241333 Property Code 302737 API No. 30-039-25214 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Pictured Cliffs	Mesa Verde	Dakota
Pool Code	72439	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3200' - 3262'	4884' - 5276'	7424' - 7642'
Method of Production (Flowing or Artificial Lift)	Flowing	Plunger Lift	Plunger Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1100	1190	1190
Producing, Shut-In or New Zone	Shut-in	Shut-in	Shut-in
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: See attached Rates: 28 MCFPD, 0 BOPD, 0 BWPD	Date: see attached Rates: 12 MCFPD, <0.5 BOPD, 0.5BWPD	Date: see attached Rates: 61 MCFPD, <0.5 BOPD, 0.5BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0% 28%	Oil Gas 50% 12%	Oil Gas 50% 60%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☒ No ☐

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: DHC 916 PLC 105

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data

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

SIGNATURE Simon Martin TITLE Petroleum Engineer DATE 9/21/2015

TYPE OR PRINT NAME Simon Martin TELEPHONE NO. (713) 372-3821

E-MAIL ADDRESS SimonMartin@Chevron.com

API: 3003925214

The C107A filing for the Rincon 127M has been revised at the request of Michael McMillan with the New Mexico EMNRD in order to reflect the production rates utilized to calculate the proposed allocation factors. The previous C107A filing noted the actual last production rates and corresponding dates, but led to confusion since the Pictured Cliffs production was shut in prior to the Dakota and Mesa Verde production. Due to downhole communication in this well, we are proposing allocation factors based on the stable production rate trends seen prior to downhole communication. The total production for the well has remained unchanged since the communication began. The proposed allocations with corresponding rates are listed below:

Formation	Gas Rate	Gas Allocation	Oil Rate	Oil Allocation
Pictured Cliffs	28 MCFPD	28%	0	0%
Mesa Verde	12 MCFPD	12%	<1 BOPD	50%
Dakota	61 MCFPD	60%	<1 BOPD	50%

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 30-039-25214	² Pool Code 72439	³ Pool Name Blanco Pictured Cliffs South
⁴ Property Code 302737	⁵ Property Name Rincon Unit	⁶ Well Number 127 M
⁷ OGRID No. 241333	⁸ Operator Name Chevron Midcontinent L.P.	⁹ Elevation 6656'

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
D	28	27 N	6 W		850	N	800	W	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres NW 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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>¹⁷ OPERATOR CERTIFICATION</p> <p>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 under heretofore entered by the division.</p> <p><i>Simon Martin</i> 8/28/15 Signature Date</p> <p>Simon Martin Printed Name</p> <p>simonmartin@chevron.com E-mail Address</p>
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor:</p> <p>_____ Certificate Number</p>

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 30-039-25214	² Pool Code 72319	³ Pool Name Blanco-Mesaverde
⁴ Property Code 302737	⁵ Property Name Rincon Unit	⁶ Well Number 127 M
⁷ OGRID No. 241333	⁸ Operator Name Chevron Midcontinent L.P.	⁹ Elevation 6656'

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
D	28	27 N	6 W		850	N	800	W	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres N 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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 OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Simon Martin</i> 8/28/15 Signature Date</p> <p>Simon Martin Printed Name</p> <p>Simonmartin@chevron.com E-mail Address</p>			
	<p>¹⁷ SURVEYOR CERTIFICATION</p> <p>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.</p>			
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>			
	<p>Certificate Number</p>			

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 30-039-25214	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 302737	⁵ Property Name Rincon Unit	⁶ Well Number 127 M
⁷ OGRID No. 241333	⁸ Operator Name Chevron Midcontinent L.P.	⁹ Elevation 6656'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	27 N	6 W		850	N	800	W	Rio Arriba

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres N 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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>" 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><i>Simon Martin</i> 8/28/15 Signature Date</p> <p><i>Simon Martin</i> Printed Name</p> <p><i>simonmartin@chevron.com</i> E-mail Address</p>
				<p>"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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
				<p>Certificate Number</p>

Rincon 127M Allocation Determination

API: 3003925214

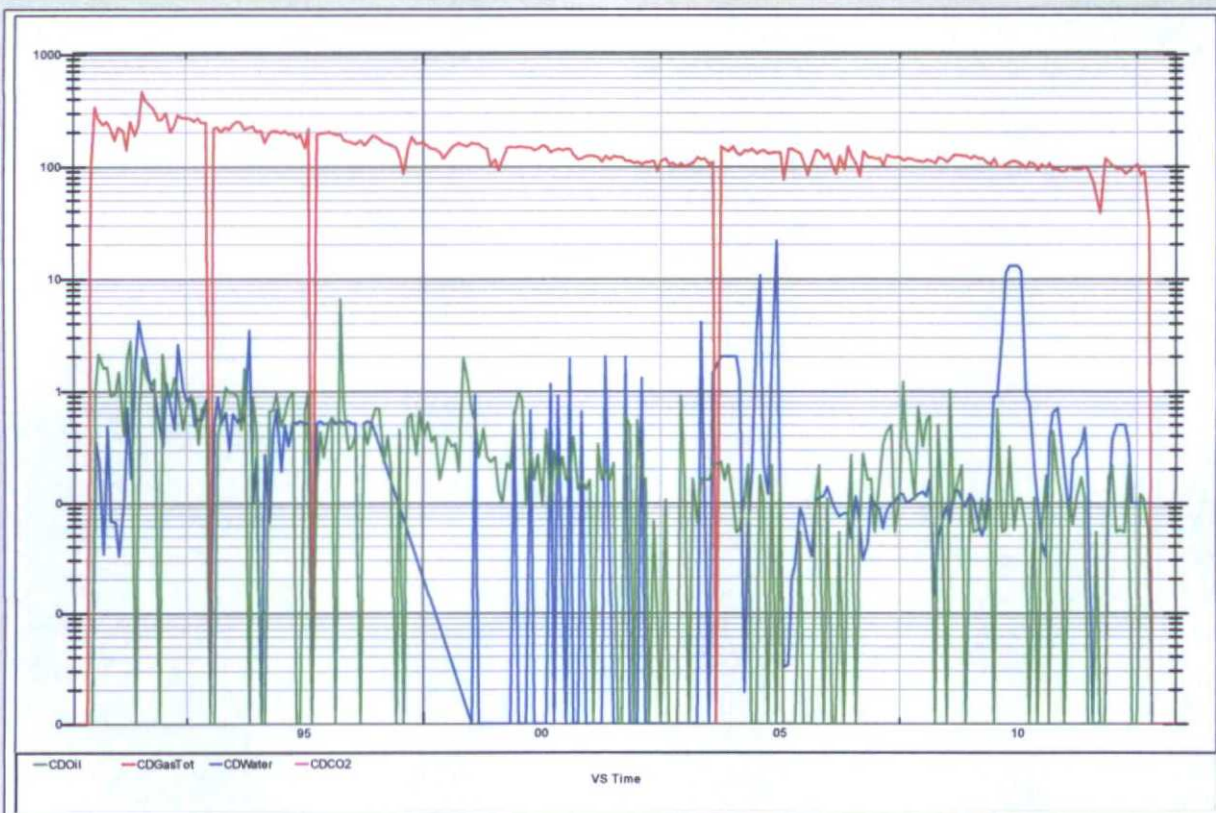
Well Status

A recent packer leakage test confirmed the packer/tubing isolating the Pictured Cliffs completion from the Mesa Verde and Dakota completions has failed and all zones are in communication. The communication was suspected by increasing production on the Pictured Cliffs string (shown below Exhibit D) However, the total well production has not experienced an impact from the breach in mechanical integrity based upon the recent production history (see charts A & B below). The downhole communication is apparently not detrimental to the well performance from any of the completed zones.

A. Total well production stream (from all zones)

Name: RINU 127M PC ID: 3003925214 Type: Well Format: [p] Comp - CDPProd vs Time

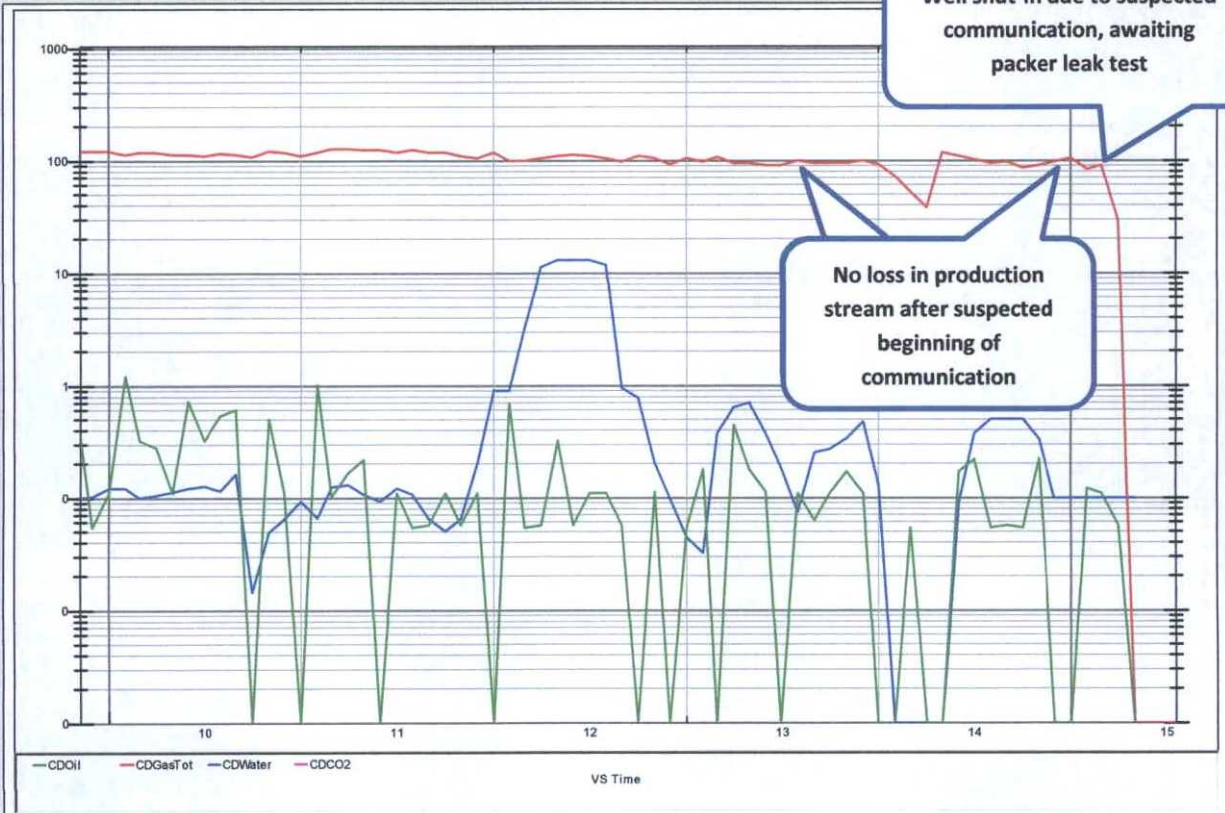
PID_API14:3003925214	WELL_LABEL:RINU 127M DK	FIELD_CODE:UL5	PROD_METH:FL
FIELD:FLD-RINCON	LEASE:RINCON UNIT	SAP_CODE:BCUL5D000	CC_NM:RINCON UNIT DAKOTA PA
COMP_NUM:01	SEC-T-R:28 - N027 - W006	RES:DAKOTA	LASTGCUM:1181.61100000



B. Total Well Production Stream (5 years)

Name: RINU 127M PC ID: 3003925214 Type: Well Format: [p] Comp - CDProd vs Time

PID_API14:3003925214	WELL_LABEL:RINU 127M DK	FIELD_CODE:UL6	PROD_METH:FL
FIELD:FLD-RINCON	LEASE:RINCON UNIT	SAP_CODE:BCUL5D000	CC_NM:RINCON UNIT DAKOTA PA
COMP_NUM:01	SEC-T-R:28 - N027 - W006	RES:DAKOTA	LASTGCUM:1181.61100000



Proposed Allocation Factors

The allocation factors have been determined by the production history prior the suspected packer leak occurrence (see production charts D & E below). The Dakota and Mesa Verde production has been allocated based on using the commingled production stream along with previously approved allocation factors (see table C).

Formation	Gas Rate	Gas Allocation	Oil Rate	Oil Allocation
Pictured Cliffs	28 MCFPD	28%	0	0%
Mesa Verde	12 MCFPD	12%	<1 BOPD	50%
Dakota	61 MCFPD	60%	<1 BOPD	50%

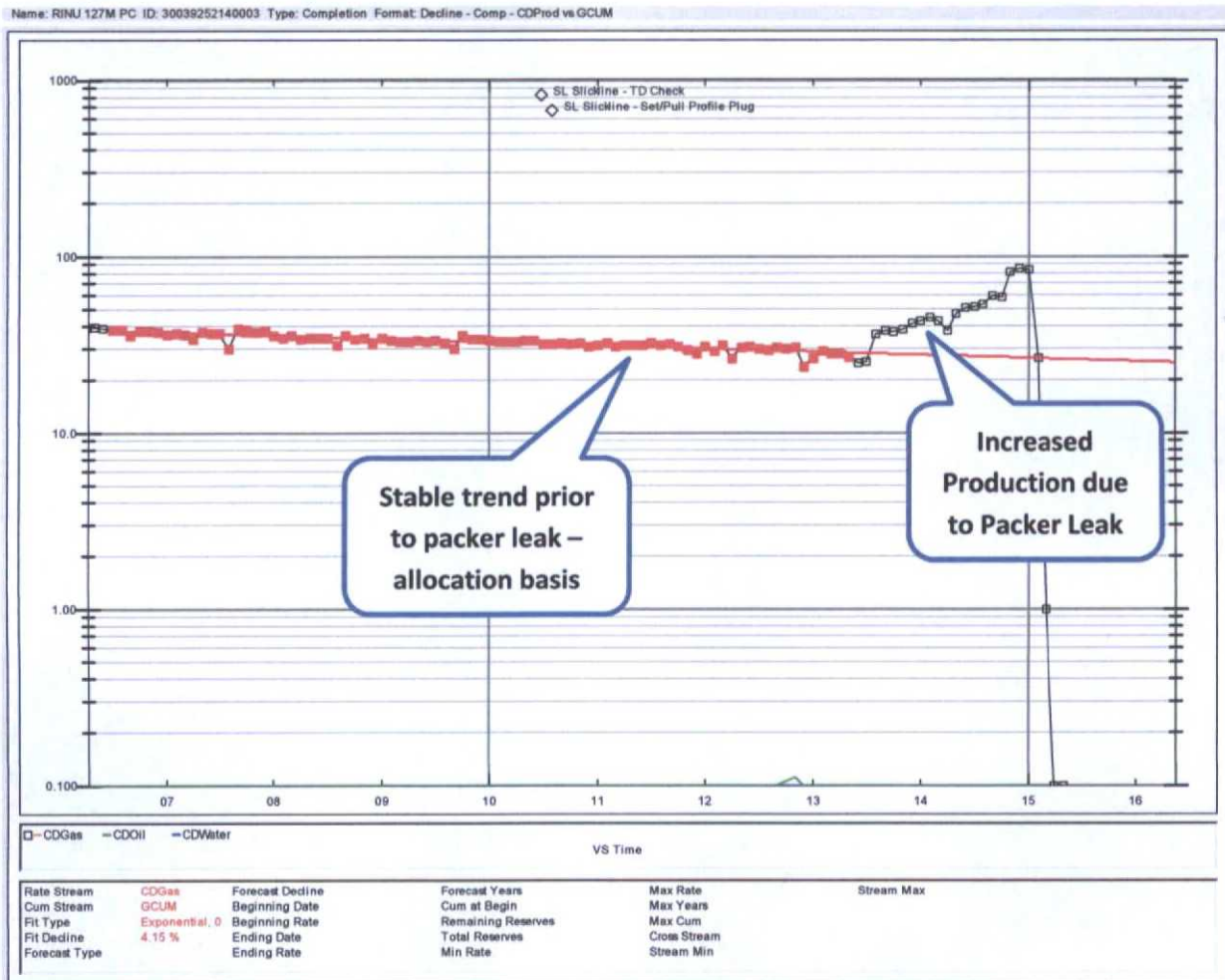
C. Previous Allocation Factors

Formation	Gas Allocation	Oil Allocation	Comments
Pictured Cliffs	N/A	N/A	No commingling
Mesa Verde	17%	50%	Previously approved based on production test
Dakota	83%	50%	Previously approved based on production test

12 (70)

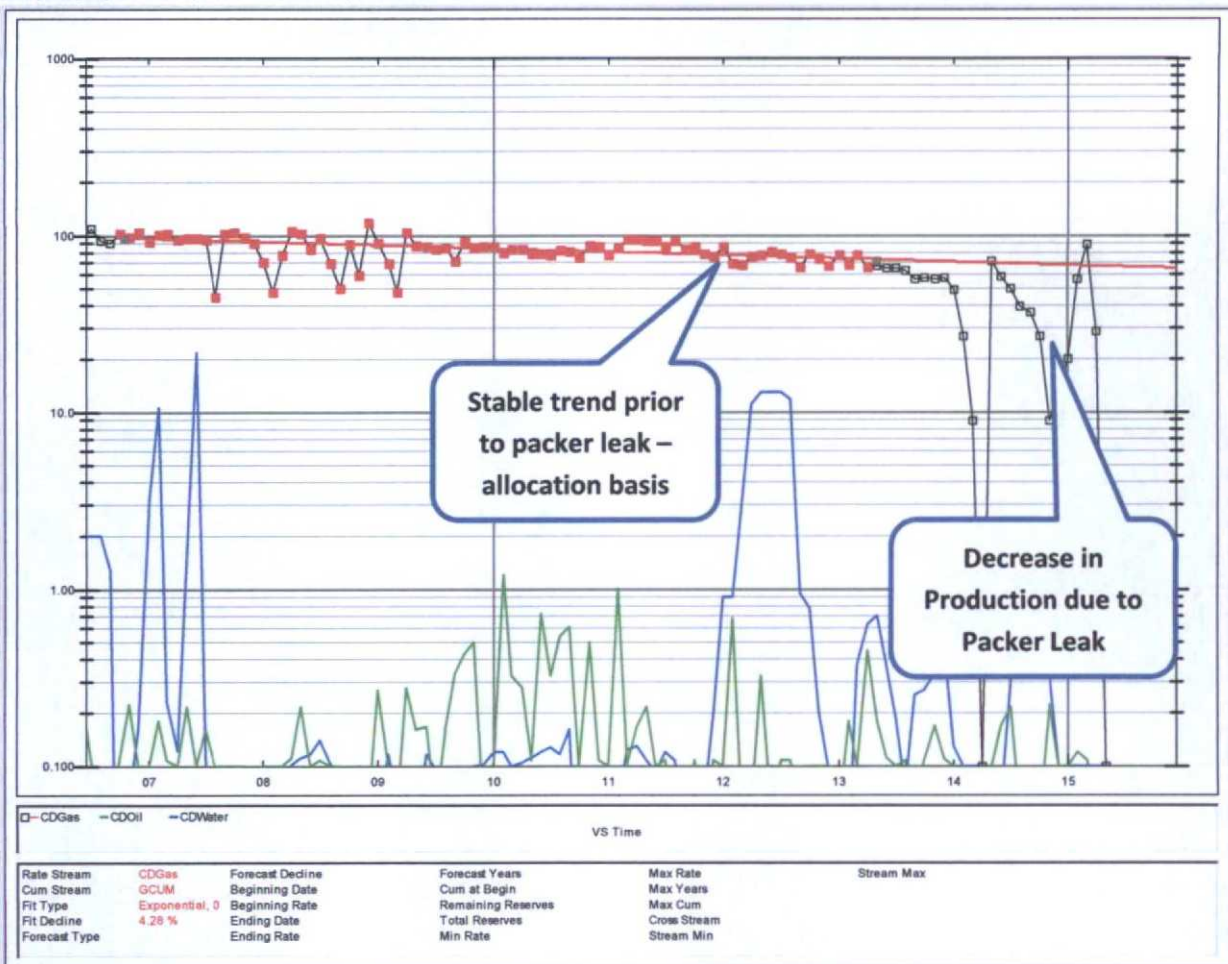
Per 30mcf 2

D. Pictured Cliffs Production



E. Mesa Verde / Dakota Commingled Production

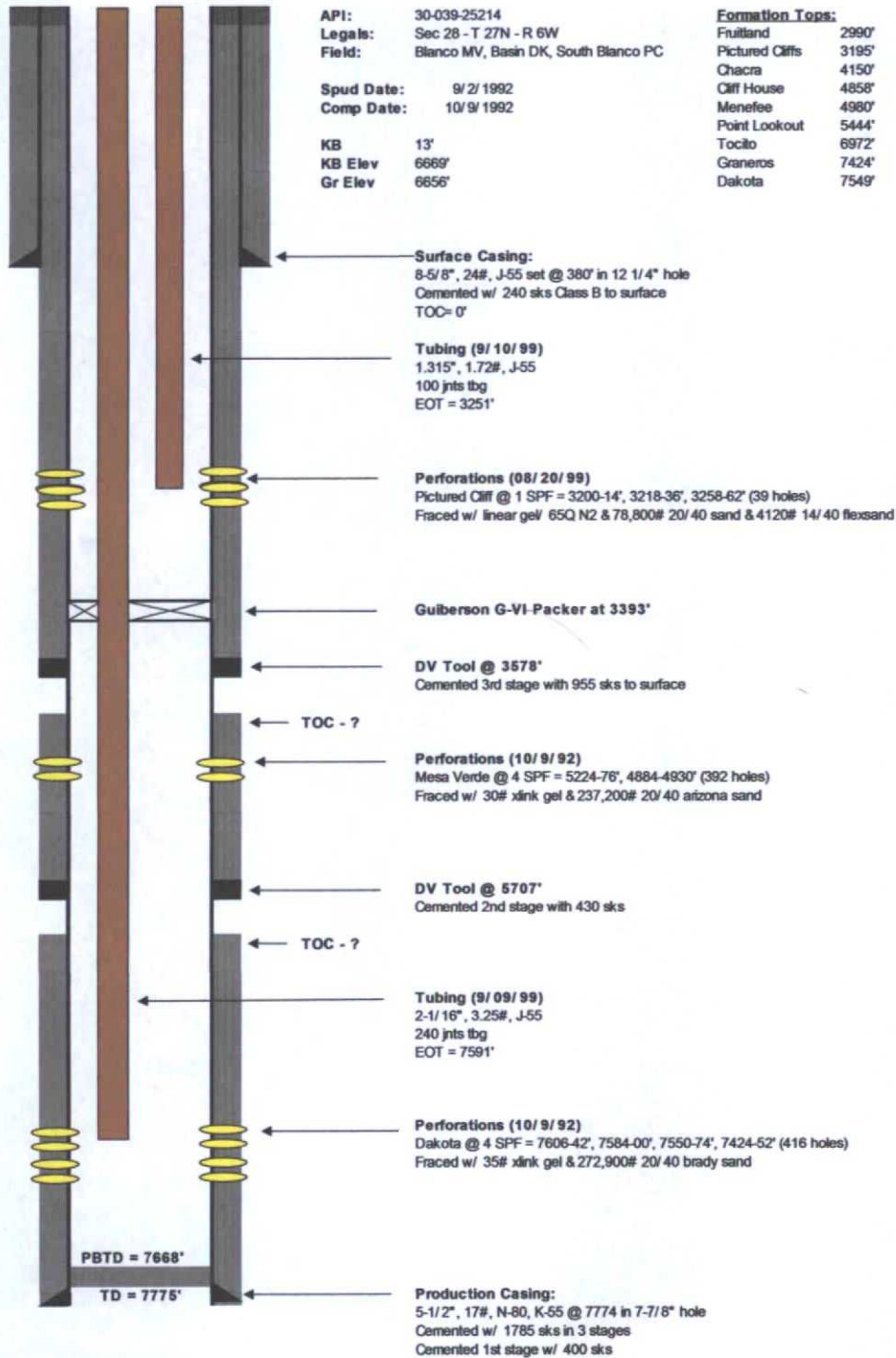
Group: Temporary Items In Group: 2 Format: Decline - Comp - CDProd vs GCUM



Wellbore Diagram



Rincon Unit Well #127M Rio Arriba County, New Mexico Current Wellbore Schematic as of 8-12-14 Long String is Plunger Lifted



Prepared by: Simon Martin
 Date: 06/2/2014

Updated by:
 Date:

Conclusion

We respectfully submit for approval downhole commingling the Pictured Cliffs, Mesa Verde, and Dakota using the aforementioned allocation factors. The data clearly indicates there has been no adverse effect to production since the communication has occurred. Operating the well with the current downhole configuration is the most economic and prudent way to recover the remaining marginal volume of reserves.

7/9/15

Rincon 127M 30-039-25214

Per NMOCD webpage:

Pool Commingle (PC) approved 8/27/1992

DHC 916 Commingle Dakota & Mesaverde 9/17/1993

Pool Lease Commingle (PLC) 105 approved 3/1/1994

Multiple Completion (MC) of PC with MV/DAK approved 9/8/1999

Pools: Blanco PC South (72439) MC with packer Mesaverde (72319) & Dakota (71599) DHCed

Possible pre-approved commingling of pools : Dakota (71599) & S. Blanco PC (72439)

Mesaverde (72319) & Dakota (71599)

Mesaverde (72319) & Blanco PC South (72439)

Noticed change in production, did packer test which failed. Want to leave as is and re-allocate production properly.
Backdate production allocation to first test date. Currently shut in.

8/19/1999 ADD PC PAY & DUALY COMMINGLE W/ MESA VERDE & DAKOTA (AFE NO. 134913)
SPIRIT ENERGY 76 WI: 76.82%

(MABE) MIRU AZTEC RIG #469. HELD SAFETY ORIENTATION MTG & RIG AUDIT. BLED TBG & CSG DOWN. KILLED TBG W/ 20 BBLs 2% KCL WATER. ND TREE. NU BOP. PULLED TBG HANGER. TIH & TAGGED @ 7681'. LD 5 JTS 2-3/8" TBG. TOH W/ 2-3/8" PROD TBG. RU BASIN PERF'S. STUCK 4-3/4" GAUGE RING & JUNK GASKET 10' BELOW TBG HEAD. WORKED LOOSE. LD 4-3/4" GAUGE RING. PU 4.63" OD GAUGE RING. RIH & STUCK GAUGE RING @ 102'. WORKED LOOSE. POH & LD GAUGE RING & JUNK BASKET. SWI-SDON.

8/20/1999 (MABE) 15 HR SICP 300 PSI. BLED WELL DOWN. TIH W/ 4-5/8" BIT, BIT SUB, 2-3/8" TBG TO 4728' W/ SEVERAL TIGHT SPOTS IN 5-1/2" CSG FROM 90-300'. CIRC HOLE CLEAN W/ FOAM. TOH. RU WL. EIH W/ 4.63" GAUGE RING. SET DOWN @ 102'. POH. TIH W/ 4-5/8" BIT, 4-5/8" STRING MILL, BIT SUB, 2-3/8" TBG. REAMED & WORKED STRING MILL FROM 66-384' W/ FOAM AIR. NEVER SAW A SERIOUS TIGHT SPOT IN CSG. TOH W/ STRING MILL & BIT. RU WL. RIH W/ 4.63" G-RING & SET DOWN @ 102'. RIH W/ 4.5" GAUGE RING TO 3500' W/ NO PROBLEMS. POH. PU HALLIBURTON FAS-DRILL PLUG ON WL. RIH & SET PLUG @ 3350'. POH W/ WL. LOAD & TEST 5-1/2" CSG TO 2500 PSI, OK. RIH & PULLED GR/CCL FROM 3350' UP TO 2800'. PERF'D PICTURED CLIFF FORM THRU 5-1/2' CSG AS FOLLOWS: 3200-3214 & 3218-3236 & 3258-3262' 1 SPF @ 120 DEG PHASING (39 HOLES TOTAL). RD WL. PUMPED INTO NEW PERFS 3200-3262' @ 4 BPM, 400 PSI. BLED WELL OFF. SWI. PREPARE TO FRAC.

8/25/1999 (GINANNI) WELL DEAD THIS AM. R&L ALL 238 JTS 2-3/8" PROD TBG. ND BOP & NU FRAC VALVE ASSY. RDP. WAIT ON EQPT.

9/1/1999 (GINANNI) RU BJ SERVICES & HELD SAFETY MTG. FRAC PICTURE CLIFF PERFS 3200-3262' DOWN 5-1/2" CSG W/ 140,000 GAL LINEAR GEL CARRYING 74,000# 20/40 BRADY SAND FOAMED W/ 540,000 SCF N2 FOR 65 QUALITY, 4200# 14/40 FLEX SAND BLENDED INTO FINAL SAND STAGE. PUMPED 2-4 PPG SAND @ 35-36 BPM FOAM RATE, 1840-1480 PSI. FLUSH JOB TO 3028'. ISIP 1262, 5/1246, 10/1217, 15/1205 PSI. TLTR 407 BBLs. RD BJ EQPT. 2 HR SICP 1175 PSI. FLOW 33 BW ON 8-12-10/64" CHOKES FOR 5.5 HRS W/ FTP 1040-680 PSI. MAKING A LOT OF SAND OCCASIONALLY & MAKING SMALL AMOUNT CONSTANTLY, TR 33 OF 407. SWON.

9/2/1999 (GINANNI) 10 HR SICP 920 PSI. FLOW WELL FOR 24 HRS ON 10-32/64" CHOKES W/ FTP 840-140 PSI. MADE 88 BW IN 14.5 HRS. BLOWING N2 & GAS LAST 9-1/2 HRS. TR 122 OF 407. EST BLOW 800 MCFD.

9/3/1999 (GINANNI) FLOW WELL 6 HRS ON 32-48/64" CHOKE W/ FTP 140-110 PSI. NO FLUID RECOVERED. SWI & RU AZTEC #469. 6 HR SICP 780 PSI. FLOW/OPEN WELL TO TANK FOR 10 HRS. CURRENT FTP 100 PSI - NO WATER. TR 121 OF 407.

9/4/1999 (GINANNI) WAIT ON WEATHER & EQPT 4HRS. PUMP 40 BBL 2% DN CSG, ND FRAC VALVE & NU BOP. WELL FLWG BACK AFTER NU. SWI. RU BLOOEY LINE & RELATED EQPT. SDON.

9/5/1999 (GINANNI) 12 HR SICP 800 PSI. BLOW DOWN TO TANK & UNLOADED 40 BW IN 1-1/2 HR. TLTR 286 BBL. PUT WELL ON JET & RIH W/ 4-3/4" BIT PU 2-3/8" TBG. TAG SAND @ 3248 (PERFS 3200-3262). BUILD MIST/FOAM & NO WATER IN HOLE. WASH SAND 3248-3348', 7' ABOVE FASDRILL. SWEEP HOLE & BLOW W/ NO SAND OR WATER ENTRY. PU TO 3096' & FLOW WELL UP CSG TO TANK F/10 HRS ON 2-3/4" CKS W/ FTP @ 40 PSI. MADE 2 BW W/TRC (FEW GRAINS) SAND. FLOW 2 HRS ON 3/4 POSITIVE CK W/FTD 75 PSI CALC GAS RATE THIS AM 1.0MMCFD.

9/6/1999 (GINANNI) FLOW WELL F/22 HRS ON 2-3/4 CK W/ FTP 20 PSI. MADE 6 BW & NO SAND FLOW LAST 2 HRS ON 48/64 POS CK @ 60 PSI. CALC GAS RATE 900 MCF. PREP TO CHECK SAND FILL.

9/7/1999 (GINANNI) PUT WELL ON JET TIH FR 3096-3348 W/ NO SAND ENTRY. BUILD MIST & DRILL OUT FASDRILL BP @ 3350. FIH PU 2-3/8 TBG TO 7668 ETD (BOT PERF @ 7642) BUILD MIST & CIRC HOLE CLEAN. BLOW HOLE DRY F/ 45 MIN MAKING TRACE WATER VAPOR & NO SAND. PU TO 7636 & SWI. FLOW WELL TO TANK F/ 8 HRS ON 2-3/4 CK @

55 PSI MAKING NO FLUID, FLOW LAST 2 HRS ON 48/64 POS @ 90 PSI. CALC TOT WELL GAS RATE
1.23MMCFD.

9/8/1999

(GINANNI/MABE) PUT WELL ON JET & POH LD 238 JTS 2-3/8 TBG. CHANGE EQPT TO 2-1/16". RAN 133 JTS 4192'. NEW 2-1/16 3.25# J55 IJ TBG INC. SWI & FLOW WELL TO TANK ON 2-3/4 CKS F/8 HRS @ 50 PSI. FLOW WELL LAST 2 HRS ON 48/POS @ 70 PSI. CALC TTL WELL GAS RATE 1.224 MCF. MADE NO WATER.

9/9/1999

(MABE) FINISH R&L 240 JTS (7581') 2-1/16" 3.25# J-55 10RD IJ TBG LANDED @ 7591'. GUIBERSON G-VI PKR @ 3393'. XL ON-OFF TOOL @ 3384'. 2-1/16" SN @ 7586'. LANDED TBG W/ 4 PTS COMPRESSION. CHANGED PIPE RAMS & HANDLING TOOLS. PU & RIH W/ 60 JTS 1" TBG TO 2112'. SWI-SOON.

2-1/16" TUBING DETAIL

.50		2-1/16" IJ PUMP-OUT PLUG
.75		2-1/16" IJ SEATING NIPPLE
4,192.49	133 JTS	2-1/16" 3.25# J-55 10RD IJ USED TBG
.80		2-3/8" 8RD X 2-1/16" IJ X-O
3.65		5-1/2" X 2-3/8" GUIB 17-20# G-VI PKR SLEEVED W/ 1.751" ID
.55		2-3/8" 8RD X-O
6.20		2-3/8" EVE J-55 PUP JT SLEEVED W/ 1.75" ID
1.90		5-1/2" X 2-3/8" GUIB XL ON-OFF TOOL W/ 1.751" ID
.75		2-3/8" X 2-1/16" IJ NIPPLE
3,336.84	106 JTS	2-1/16" 3.25# K-55 UNK 10RD IJ SMLS USED TBG
1.00		2-1/16" NIPPLE W/ COLLAR
3.90		2-1/16" IJ J-55 10RD PUP JT
30.27	1 JT	2-1/16" 3.25# J-55 10RD IJ TBG
1.10		2-1/16" 10RD IJ NIPPLE W/ COLLAR
.30		2-1/16" 10RD IJ NIPPLE

7,581.00		TOTAL TBG (240 JTS)
10.00		KB

7,591.00		
FHD		

9/10/1999

(MABE) FINISH R&L 100 JTS (3241') 1.315" OD 1.72# J-55 10RD IJ SMLS NEW TBG LANDED @ 3251'. ND BOP. NU DUAL TREE. RETRIEVED BPV OUT OF 2-1/16" & 1" TBG. PRESSURED UP ON DAKOTA-MV SIDE W/ AIR TO 450 PSI & PUMPED OUT PUMPOUT PLUG. SWI. RDPV & MO EQPT. PROD DEPT WILL RU SWAB UNIT TO KICK OFF DAKOTA-MV SIDE.

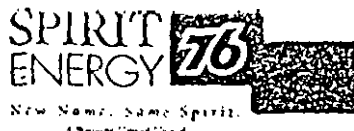
1.315" TUBING DETAIL

3,240.95	100 JTS	1.315" OD 1.72# J-55 10RD IJ NE SMLS TBG
.45		2-1/16" 10RD IJ X 1.315" 10RD IJ X-OVER

3,241.40		TOTAL TBG (100 JTS)
10.00		KB

3,251.40		FHD

ASSET GROUP: South Permian
FIELD: Basin Dakota
LEASE/UNIT: Rincon Unit
COUNTY: Rio Arriba



DATE: May. 06, 1999
BY: M.C. Phillips
WELL: #127M
STATE: New Mexico

SPUD DATE: 8/17/92
COMP. DATE: 11/08/92
STATUS: Commingled

KB = 6,669'
Elevation = 6,656'
TD = 7,775'
PBTD = 7,668'

After

8-5/8" @ 380'. 24# J-55, ST&C Cmt'd w/240 sss Circ.

1.315" OD Tbg @ 3251' (Short string)
Pictured Cliffs

Picture Cliff Perforations

Perfs @ 3,200-14', 3,218-36', 3,258'-62'.

Guib. G-VI @ 3393'
DV Tool @ 3,578'

Mesa Verde Perforations

Perfs @ 4,884-4,930'.

DV Tool @ 5,707'.

Tbg set @ 7591' (2 1/16" Tbg) (Long string)
Mesa Verde/Dakota

Dakota Perforations

Perfs @ 7,424-52', 7550-74', 7,584-7,600', 7,606-42'.

5-1/2" @ 7,774'. 17# N-80, J-55, LT&C Cmt'd /178ss. Circulated.

TO 7,775'

Casing

			Boreholes, Strings and Equipment Specifications			Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
String/Hole Type	Taper	Date Set	Diameter	Top	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Method	Class of Cement	Sacks	Pressure Test (Y/N)
Hole 1	1		8.625	0	380		0	0.0	0	0			0	No
Surface Casing	1		8.625	0	380		380	24.0	380	0		Class C Cement	240	No
Hole 2	1		5.500	0	7774		0	0.0	0	0			0	No
Production Casing	1		5.500	0	7774		7774	17.0	7774	0		Class C Cement	1785	No
Packer	1		5.500	7651	7656		5	0.0	0	0			0	No
Tubing 1	1		2.375	0	7651		7651	0.0	0	0			0	No



Taylor A. Leftwich
Land Representative

MidContinent Business Unit
Chevron North American
Exploration and Production
1400 Smith St, Rm. 47129
Houston, Texas 77002
Tel 713-372-9891
Taylor.Leftwich@chevron.com

August 26, 2015

Certified Mail: 70132630000123273024

United States Department of the Interior
Bureau of Land Management
6251 College Blvd. Suite A
Farmington, NM 87402

**RE: Application to Downhole Commingle
Rincon Unit #127M
Section 28, T-27-N, R-6-W, Rio Arriba County
API: 30-039-25214**

Dear Sir or Madam:

Chevron Midcontinent, L.P. has requested permission from the New Mexico Oil Conservation Division to downhole commingle production from the Blanco Pictured Cliffs South, Blanco-Mesaverde, and Basin Dakota formations in the following well:

Rincon Unit No. 127M
850' FNL, 800' FWL
Section 28, T-27-N, R-6-W
Rio Arriba County, New Mexico

A copy of the Form C-107-A application is attached for your review. Should you have any objections to this proposal, please notify the NMOCD within twenty (20) days. Should you have any technical questions please contact Simon Martin at (713) 372-3821. For any other questions regarding the application please contact the undersigned at (713) 372-9891.

Kind regards,

Taylor Leftwich
Land Representative

Enclosures:

Certified Mailing List

Working Interest Owners

ConocoPhillips Company
Attn: Valerie Wells
P.O. Box 4289
Farmington, NM 87499-4289

Burlington Resources Oil & Gas Company, L.P.
Attn: Valerie Wells
P.O. Box 4289
Farmington, NM 87499-4289

Burlington Resources EPPC
Attn: Valerie Wells
P.O. Box 4289
Farmington, NM 87499-4289

Omimex Petroleum
Attn: Land & Legal
7950 John T White Road
Fort Worth Texas 76103

DeLaFosse Properties, Ltd.
Attn: Pam Farmer
P.O. Drawer 787
Albany, TX 76430

H. R. Stasney & Sons, Ltd.
Attn: Lance Thomas
P.O. Drawer 3190
Albany, TX 76430

Gwinn McMahan Lewis Investment Trust
3824 Cedar Springs Road, Suite 101-331
Dallas, TX 75219-4136

Thomas V. McMahan Trust
P.O. Box 1517
Houston, TX 77251-1517

Thomas V. McMahan
P.O. Box 1517
Houston, TX 77251

Offset Operators

Caulkins Oil Company
1409 W Aztec Blvd
Aztec, NM 87410

Cross Timbers Energy LLC
400 W Seventh St.
Fort Worth, TX 76102



Taylor A. Leftwich
Land Representative

MidContinent Business Unit
Chevron North American
Exploration and Production
1400 Smith St, Rm. 47129
Houston, Texas 77002
Tel 713-372-9891
Taylor.Leftwich@chevron.com

August 26, 2015

Via Certified Mail:

**RE: Application to Downhole Commingle
Rincon Unit #127M
Section 28, T-27-N, R-6-W, Rio Arriba County
API: 30-039-25214**

Dear Working Interest Owner:

Chevron Midcontinent, L.P. has requested permission from the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Blanco Pictured Cliffs South, Blanco-Mesaverde, and Basin Dakota formations in the following well:

Rincon Unit No. 127M
850' FNL, 800' FWL
Section 28, T-27-N, R-6-W
Rio Arriba County, New Mexico

This letter is to inform you of the pending application based on your working interest in the Rincon Unit. A copy of the C-107-A application is attached for your review. Should you have any objections to this proposal, please notify the NMOCD within twenty (20) days. If you have questions regarding the application please contact the undersigned at (713) 372-9891.

Kind regards,

Taylor Leftwich
Land Representative

Enclosures:



Taylor A. Leftwich
Land Representative

MidContinent Business Unit
Chevron North American
Exploration and Production
1400 Smith St, Rm. 47129
Houston, Texas 77002
Tel 713-372-9891
Taylor.Leftwich@chevron.com

August 26, 2015

Certified Mail: 70132630000123273017

Caulkins Oil Company
1409 W Aztec Blvd
Aztec, NM 87410

RE: Application to Downhole Commingle
Rincon Unit #127M
Section 28, T-27-N, R-6-W, Rio Arriba County
API: 30-039-25214

Dear Sir or Madam:

Chevron Midcontinent, L.P. has requested permission from the New Mexico Oil Conservation Division to downhole commingle production from the Blanco Pictured Cliffs South, Blanco-Mesaverde, and Basin Dakota formations in the following well:

Rincon Unit No. 127M
850' FNL, 800' FWL
Section 28, T-27-N, R-6-W
Rio Arriba County, New Mexico

A copy of the Form C-107-A application is attached for your review. Should you have any objections to this proposal, please notify the NMOCD within twenty (20) days. Should you have any technical questions please contact Simon Martin at (713) 372-3821. For any other questions regarding the application please contact the undersigned at (713) 372-9891.

Kind regards,

Taylor Leftwich
Land Representative

Enclosures:



Taylor A. Leftwich
Land Representative

MidContinent Business Unit
Chevron North American
Exploration and Production
1400 Smith St, Rm. 47129
Houston, Texas 77002
Tel 713-372-9891
Taylor.Leftwich@chevron.com

August 26, 2015

Certified Mail: 70132630000123273031

Cross Timbers Energy LLC
400 W Seventh St.
Fort Worth, TX 76102

**RE: Application to Downhole Commingle
Rincon Unit #127M
Section 28, T-27-N, R-6-W, Rio Arriba County
API: 30-039-25214**

Dear Sir or Madam:

Chevron Midcontinent, L.P. has requested permission from the New Mexico Oil Conservation Division to downhole commingle production from the Blanco Pictured Cliffs South, Blanco-Mesaverde, and Basin Dakota formations in the following well:

Rincon Unit No. 127M
850' FNL, 800' FWL
Section 28, T-27-N, R-6-W
Rio Arriba County, New Mexico

A copy of the Form C-107-A application is attached for your review. Should you have any objections to this proposal, please notify the NMOCD within twenty (20) days. Should you have any technical questions please contact Simon Martin at (713) 372-3821. For any other questions regarding the application please contact the undersigned at (713) 372-9891.

Kind regards,

Taylor Leftwich
Land Representative

Enclosures:



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-916

UNOCAL Oil & Gas Division
3300 North Butler Avenue
Farmington, NM 87401

Attention: Glen O. Papp

*Rincon Unit Well No. 127-M
Unit D, Section 28, Township 27 North, Range 6 West, NMPM,
Rio Arriba County, New Mexico.
Blanco Mesaverde and Basin Dakota Pools*

Dear Mr. Papp:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. 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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

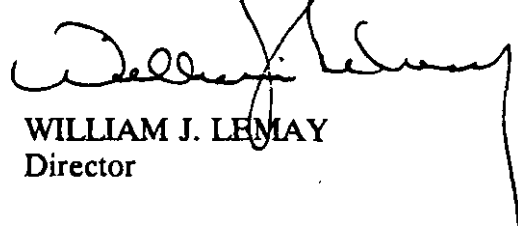
Blanco Mesaverde Pool	Oil	50%	Gas	17%
Basin Dakota Pool	Oil	50%	Gas	83%

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

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 17th day of September, 1993.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington