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San Juan Basin

Midcontinent Business Unit
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March 14, 2014

Certified Mail

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87504-1148

New Mexico Oil Conservation Division
1220 South Saint Francis
Santa Fe, NM 87505-4000

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2014 MAR 18 A 2:18

RE: Submittal of Rincon Unit 2014 Plan of Development
Recap of 2013 Activity and Production
Rincon Unit, Rio Arriba County, New Mexico

Gentlemen:

Enclosed you will find a copy of the proposed 2014 Plan of Development and the 2013 Review of Operations and Production activities for the Rincon Unit, submitted by Chevron Midcontinent L. P., the Unit Operator. We ask for your approval of our Plan of Development for 2014. Any changes to this Plan for 2014 will be made by Amendments to the Plan as they become necessary.

Copies of the 2014 Plan of Development and the 2013 Review of Operations have been sent to the Commissioner of Public Lands for the State of New Mexico and the New Mexico Oil Conservation Division. We have also provided copies of this material to all of the Working Interest Owners in the Rincon Unit.

If during your review of this material you should have any questions, please feel free to contact Jamie Elkington, PE by telephone at +1 713-372-9896 or email at ELKI@chevron.com. You may also contact me at +1 713-372-1708, or by letter or email as indicated on the letterhead above.

Sincerely,

Kristen Hunter
Land Representative

RINCON UNIT REVIEW OF OPERATIONS - 2013
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No. Wellbores as of 12/31/13	All Formations
Drilling	0
Drilled & Waiting on Completion	0
Producing	347
Shut-in	3
Abandoned	47
Injection	0
December 2013 Production	
Oil - Barrels	1,486
Gas - MCF @ 14.73 psi	593,583
Water - Barrels	2,900
Gas Injection - MCF @ 14.73 psi	0
Production for Year 2013	
Oil - Barrels	24,053
Gas - MCF @ 14.73 psi	7,391,122
Water - Barrels	25,180
Gas Injection - MCF @ 14.73 psi	0
Cumulative Production thru 12/31/13	
Oil - Barrels	2,067,851
Gas - MCF @ 14.73 psi	485,541,317
Water - Barrels	865,996
Gas Injection - MCF @ 14.73 psi	0

CHEVRON MIDCONTINENT, L.P.
RINCON UNIT WELL SUMMARY 12/31/2013

Basin Dakota	Prod Wells	Not Prod	TOTAL
Grand Count	176	6	182
Duals	14	0	14
DH Commingle	124	0	124
Surf Commingle	0	0	0
Triple Completion	9	0	9
Stand Alone	29	0	29
TA	0	2	2
P&A	0	4	4
Basin Fruitland Coal	Prod Wells	Not Prod	TOTAL
Grand Count	37	7	44
Duals	0	0	0
DH Commingle	0	0	0
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	37	0	37
TA	0	1	1
P&A	0	6	6
Blanco Mesaverde	Prod Wells	Not Prod	TOTAL
Grand Count	181	5	186
Duals	19	1	20
DH Commingle	123	0	123
Surf Commingle	0	0	0
Triple Completion	10	0	10
Stand Alone	29	0	29
TA	0	0	0
P&A	0	4	4
Blanco Pictured Cliffs	Prod Wells	Not Prod	TOTAL
Grand Count	101	25	126
Duals	8	0	8
DH Commingle	5	0	5
Surf Commingle	0	0	0
Triple Completion	6	0	6
Stand Alone	82	0	82
TA	0	0	0
P&A	0	25	25
Largo Gallup/Tocito	Prod Wells	Not Prod	TOTAL
Grand Count	11	3	14
Duals	1	0	1
DH Commingle	5	0	5
Surf Commingle	0	0	0
Triple Completion	4	0	4
Stand Alone	1	0	1
TA	0	0	0
P&A	0	3	3
Otero Chacra	Prod Wells	Not Prod	TOTAL
Grand Count	10	5	15
Duals	2	0	2
DH Commingle	4	0	4
Surf Commingle	0	0	0
Triple Completion	1	0	1
Stand Alone	3	0	3
TA	0	0	0
P&A	0	5	5

Rincon Unit Totals	Prod Wells	Not Prod	TOTAL
Grand Count Zones	516	51	567
Duals	44	1	45
DH Commingle	261	0	261
Surf Commingle	0	0	0
Triple Completion	30	0	30
Stand Alone	181	0	181
TA	0	3	3
P&A	0	47	47
Total Wellbores	347	42	389

As of 1/1/14
347 well bores
373 flow streams
517 completions

2013
Annual Production Volumes

	OIL	GAS	WATER
Dakota	12,129	3,710,009	11,524
Fruitland Coal	-	279,046	-
Mesaverde	10,808	2,382,741	11,297
Pictured Cliffs	78	795,037	1,236
Gallup/Tocito	1,038	181,862	1,123
Chacra	-	42,427	-
Rincon Total	24,053	7,391,122	25,180

GLR= 307.2848293 MCF/BBL

**Chevron Midcontinent, L.P.
Rincon Unit
Rio Arriba County, New Mexico**

2013 Review of Operations

New Wells Spud in 2013

Well	Pool	UL	Sec	Twp/Rng
None				

New Wells Completed in 2013

Well	Pool	UL	Sec	Twp/Rng
None				

Workovers - Cleanouts, repairs, down-hole commingling, acidizings, & zone adds

Type	Well	Pool	UL	Sec	Twp/Rng
Replace HIT / Cleanout	Rincon Unit Well #138	Blanco Mesaverde / Basin Dakota	A	25	27 N 7 6
Replace HIT / Cleanout	Rincon Unit Well #130E	Blanco Tocito	J	32	27 N 6 W

Plugging & Abandonments

Well	Pool	UL	Sec	Twp/Rng
Rincon Unit Well #48	Pictured Cliffs	N	30	27 N 6 W

Temporary Abandonments

Well	Pool	UL	Sec	Twp/Rng
Rincon Unit Well #290	Basin Fruitland Coal	M	33	27 N 7 W

Facility Projects

Well
Tank Replacements
Separator Replacements
Remediation for Rincon 48 abandonment

Plunger Lift Controller Upgrades

API	Well	Pool	UL	Sec	Twp/Rng
30-039-06944	Rincon Unit Well #171	Basin Dakota	M	21	27 N 6 W
30-039-27319	Rincon Unit Well #156P	Basin Dakota	O	16	27 N 6 W
30-039-21834	Rincon Unit Well # 29A	Blanco Mesaverde	D	22	27 N 6 W
30-039-22311	Rincon Unit Well # 21A	Blanco Mesaverde	D	16	27 N 6 W
30-039-22311	Rincon Unit Well #57E	Basin Dakota / Gallup / Blanco Mesaverde	O	1	26 N 7 W
30-039-27522	Rincon Unit Well #149Q	Basin Dakota/Blanco Mesaverde	K	30	27 N 6 W
30-039-25206	Rincon Unit Well #151M	Basin Dakota/Blanco Mesaverde	O	14	27 N 7 W
30-039-25360	Rincon Unit Well #139M	Basin Dakota/Blanco Mesaverde	P	25	27 N 7 W
30-039-25434	Rincon Unit Well #178E	Basin Dakota/Blanco Mesaverde	J	23	27 N 7 W
30-039-26208	Rincon Unit Well #172M	Basin Dakota/Blanco Mesaverde	F	26	27 N 7 W
30-039-26977	Rincon Unit Well #177R	Basin Dakota/Blanco Mesaverde	N	13	27 N 7 W
30-039-27293	Rincon Unit Well #161M	Basin Dakota/Blanco Mesaverde	F	17	27 N 6 W
30-039-25179	Rincon Unit Well #159M	Basin Dakota/Blanco Mesaverde	F	18	27 N 6 W
30-039-26998	Rincon Unit Well #159R	Basin Dakota	B	18	27 N 6 W

Wellhead Compressor Installs

Well	Pool	UL	Sec	Twp/Rng
None				

Chevron Midcontinent, L.P.
Rincon Unit
Rio Arriba County, New Mexico

2014 Plan of Development

PLANNED WELLS TO BE DRILLED IN 2014

Well No.	Pool	Dedicated Acreage	UL	Sec	Twp/Rng
Evaluating Gallup / Mancos Horizontals					

Chevron Midcontinent, L.P.
Rincon Unit
Rio Arriba County, New Mexico

2014 Plan of Operations

Potential Workovers - Cleanouts, repairs, commingling, acidizing & zone adds dependent on permit approval and funding

Well	Pool	UL	Sec	Twp	/	Rng
Rincon Unit Well #172	Basin Dakota	B	26	27	N	7 W
Rincon Unit Well #182P	Basin Dakota / Blanco Mesaverde	P	26	27	N	6 W
Rincon Unit Well #82A	Blanco Mesaverde	C	23	27	N	6 W
Rincon Unit Well #138	Basin Dakota / Blanco Mesaverde	A	33	27	N	7 W
Rincon Unit Well #137E	Basin Dakota / Gallup / Blanco Mesaverde	J	24	27	N	7 W
Rincon Unit Well #155	Basin Dakota	M	17	27	N	6 W
Rincon Unit Well #161M	Basin Dakota / Blanco Mesaverde	F	27	27	N	6 W
Rincon Unit Well #167M	Basin Dakota	B	13	27	N	7 W
Rincon Unit Well #21	Blanco Mesaverde	L	16	27	N	6 W
Rincon Unit Well #21A	Blanco Mesaverde	D	16	27	N	6 W
Rincon Unit Well #126	Basin Dakota / Blanco Mesaverde	N	27	27	N	6 W
Rincon Unit Well #128	Basin Dakota / Blanco Mesaverde	L	28	27	N	6 W
Rincon Unit Well #156	Basin Dakota	M	16	27	N	6 W
Rincon Unit Well #165	Basin Dakota	G	27	27	N	6 W
Rincon Unit Well #57E	Basin Dakota / Gallup / Blanco Mesaverde	O	1	26	N	7 W
Rincon Unit Well #101	Blanco Mesaverde	L	1	26	N	7 W
Rincon Unit Well #102	Blanco Mesaverde	M	11	26	N	7 W
Rincon Unit Well #183	Basin Dakota / Blanco Mesaverde	K	31	27	N	6 W
Rincon Unit Well #192	Basin Dakota	K	1	27	N	6 W
Rincon Unit Well #408	Basin Dakota / Blanco Mesaverde	P	21	27	N	6 W
Rincon Unit Well #182	Basin Dakota	G	26	27	N	6 W
Rincon Unit Well #403	Basin Dakota / Blanco Mesaverde	P	26	27	N	6 W
Rincon Unit Well #229	Basin Dakota	I	34	27	N	7 W
Rincon Unit Well #129M	Basin Dakota / Blanco Mesaverde	P	29	27	N	6 W
Rincon Unit Well #130	Basin Dakota / Blanco Mesaverde	A	32	27	N	6 W
Rincon Unit Well #130M	Basin Dakota / Blanco Mesaverde	I	32	27	N	6 W
Rincon Unit Well #146	Basin Dakota	G	23	27	N	6 W
Rincon Unit Well #156P	Basin Dakota	O	16	27	N	6 W
Rincon Unit Well #157	Basin Dakota	N	18	27	N	6 W
Rincon Unit Well #159R	Basin Dakota	B	18	27	N	6 W
Rincon Unit Well #164R	Basin Dakota / Blanco Mesaverde	K	2	26	N	7 W
Rincon Unit Well #166E	Basin Dakota / Blanco Mesaverde / Blanco South Pictured Cliffs	F	32	27	N	6 W
Rincon Unit Well #166P	Basin Dakota / Blanco Mesaverde	D	32	27	N	6 W
Rincon Unit Well #166R	Basin Dakota / Blanco Mesaverde	M	32	27	N	6 W
Rincon Unit Well #168R	Basin Dakota / Blanco Mesaverde	O	36	27	N	7 W
Rincon Unit Well #177	Basin Dakota	L	13	27	N	7 W
Rincon Unit Well #179	Basin Dakota	G	16	27	N	6 W
Rincon Unit Well #180	Basin Dakota	G	21	27	N	6 W
Rincon Unit Well #181	Basin Dakota	G	22	27	N	6 W
Rincon Unit Well #183R	Basin Dakota / Blanco Mesaverde	M	31	27	N	6 W
Rincon Unit Well #184	Basin Dakota	A	15	27	N	7 W
Rincon Unit Well #187	Basin Dakota	A	35	27	N	7 W
Rincon Unit Well #201	Basin Dakota / Blanco Mesaverde	G	2	26	N	7 W
Rincon Unit Well #201M	Basin Dakota / Blanco Mesaverde	A	2	26	N	7 W
Rincon Unit Well #415	Basin Dakota / Blanco Mesaverde	I	1	26	N	7 W
Rincon Unit Well #57	Basin Dakota / Blanco Mesaverde	A	1	26	N	7 W
Rincon Unit Well #183E	Blanco Mesaverde / Basin Dakota	J	31	27	N	6 W
Rincon Unit Well #186M	Blanco Mesaverde / Basin Dakota	L	33	27	N	7 W
Rincon Unit Well #176	Blanco Mesaverde / Basin Dakota	A	31	27	N	6 W
Rincon Unit Well #192	Blanco Mesaverde / Basin Dakota	K	1	26	N	7 W
Rincon Unit Well #133E	Basin Dakota / Blanco South Pictured Cliffs	D	14	27	N	7 W

Artificial Lift Upgrades

Rincon Unit Well #166E	Basin Dakota / Blanco Mesaverde / Blanco South Pictured Cliffs	F	32	27	N	6 W
Rincon Unit Well #183E	Blanco Mesaverde / Basin Dakota	J	31	27	N	6 W
Rincon Unit Well #186M	Blanco Mesaverde / Basin Dakota	L	33	27	N	7 W
Rincon Unit Well #201	Basin Dakota / Blanco Mesaverde	G	2	26	N	7 W
Rincon Unit Well #130M	Basin Dakota / Blanco Mesaverde	I	32	27	N	6 W
Rincon Unit Well #176	Blanco Mesaverde / Basin Dakota	A	31	27	N	6 W
Rincon Unit Well #192	Blanco Mesaverde / Basin Dakota	K	1	26	N	7 W
Rincon Unit Well #133E	Basin Dakota / Blanco South Pictured Cliffs	D	14	27	N	7 W

Wellhead Compressor Installs

Switch or remove uneconomic compressors

Plugging & Abandonments

Well	Pool	UL	Sec	wp/Rng
Rincon Unit Well #3	Blanco South Pictured Cliffs	P	6	26 N 6 W
Rincon Unit Well #5	Blanco South Pictured Cliffs	P	32	27 N 6 W
Rincon Unit Well #26	Blanco South Pictured Cliffs	L	32	27 N 7 W
Rincon Unit Well #27	Blanco South Pictured Cliffs	M	13	27 N 7 W
Rincon Unit Well #29	Blanco Mesaverde	A	22	27 N 6 W
Rincon Unit Well #34	Blanco South Pictured Cliffs	K	28	27 N 7 W
Rincon Unit Well #52	Blanco South Pictured Cliffs	H	20	27 N 6 W
Rincon Unit Well #55	Blanco South Pictured Cliffs	A	2	26 N 7 W
Rincon Unit Well #56	Blanco South Pictured Cliffs	J	2	26 N 7 W
Rincon Unit Well #64	Blanco South Pictured Cliffs	H	23	27 N 7 W
Rincon Unit Well #68	Blanco South Pictured Cliffs	P	27	27 N 7 W
Rincon Unit Well #186	Blanco Mesaverde	O	33	27 N 7 W
Rincon Unit Well #220	Otero Chacra	O	28	27 N 7 W
Rincon Unit Well #260	Fruitland Coal	H	32	27 N 6 W
Rincon Unit Well #277	Fruitland Coal	N	13	27 N 7 W
Rincon Unit Well #212	Otero Chacra	P	12	26 N 7 W
Rincon Unit Well #33	Blanco Mesaverde	M	22	27 N 6 W

Potential Facility Projects

NMOCD required Below Grade Tank replacements
 Electrifications
 Rincon Central Oil / Water Storage Facility
 Rincon Lat 4 building upgrade
 Lat 4 Compressor Isolation system
 Separator Replacement / Upgrades