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Arthur R. Boehm
Senior Land
Representative

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Mid Continent SBU
Chevron U.S.A. Inc.
PO BOX 36366
Houston, TX 77236
Tel: 281-561-4880
Fax: 281-561-3576
aboehm@chevron.com

April 17, 2009

Engineering Division
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Submittal of Rincon Unit 2009 Plan of Development
Recap of 2008 Activity and Production
Rincon Unit, Rio Arriba County, New Mexico

Dear Gentlemen:

Enclosed you will find Two (2) copies of the 2008 Review of Operations and Production activities and the proposed 2009 Plan of Development for the Rincon Unit submitted by Chevron Midcontinent L. P., the Unit Operator. We ask for your approval of our Plan of Development for 2009. Any changes to this Plan for 2009 will be made by Amendments to the Plan as they become necessary.

Copies of the 2008 Review of Operations and the 2009 Plan of Development have been sent to the Commissioner of Public Lands for the State of New Mexico and the United States Department of Interior Bureau of Land Management. We have also provided copies of this material to all of the Working Interest Owners in the Rincon Unit. Copies of those correspondences are attached.

If during your review of this material you should have any questions, please feel free to contact Mr. Jerry Schilling by telephone at 281-561-4886 or email at jerry.schilling@chevron.com. You may also feel free to contact me at 281-561-4880 or by letter or email as indicated on the letterhead above.

Sincerely,

Arthur R. Boehm, Jr.
Senior Land Representative

**Chevron MidContinent
Rincon Unit
Rio Arriba County, New Mexico**

2008 Review of Operations

New Wells Spud in 2008

Well	Pool	UL	Sec	Twp/Rng
Rincon Unit 404	Basin Dakota/Blanco Mesaverde	N	21 27	N 6 W

New Wells completed in 2008

Well	Pool	UL	Sec	Twp/Rng
Rincon Unit 404	Basin Dakota/Blanco Mesaverde	N	21 27	N 6 W
Rincon Unit 412	Basin Dakota/Blanco Mesaverde	G	26 27	N 7 W
Rincon Unit 413	Basin Dakota/Blanco Mesaverde	E	13 27	N 7 W
Rincon Unit 503	Basin Dakota/Blanco Mesaverde	H	13 27	N 7 W
Rincon Unit 505	Basin Dakota/Blanco Mesaverde	G	15 27	N 7 W

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

Type	Well	Pool	UL	Sec	Twp/Rng
DH Commingle, Acidize	Rincon Unit Well #108	Basin Dakota / Blanco Mesaverde	G	19 27	N 6 W
Clean out, Acidize	Rincon Unit Well #125M	Basin Dakota / Blanco Mesaverde	F	26 27	N 6 W
Recomplete MV	Rincon Unit Well #134	Basin Dakota / Blanco Mesaverde	B	12 26	N 7 W
Recomplete MV & Gallup	Rincon Unit Well #134R	Basin Dakota / Blanco Mesaverde / Gallup	A	12 26	N 7 W
Lower tubing	Rincon Unit Well #155R	Basin Dakota / Blanco Mesaverde	L	17 27	N 6 W
Clean out, Acidize	Rincon Unit Well #159P	Basin Dakota / Blanco Mesaverde	D	18 27	N 6 W
Add MV Perforations	Rincon Unit Well #161M	Basin Dakota / Blanco Mesaverde	F	17 27	N 6 W
Clean out, Acidize	Rincon Unit Well #165M	Basin Dakota / Blanco Mesaverde	C	27 27	N 6 W
Fish, Acidize	Rincon Unit Well #174P	Basin Dakota / Blanco Mesaverde	L	19 27	N 6 W

Plunger Lift Controller Upgrades

None

Wellhead Compressor Installs

None

Plugging & Abandonments

None

Facility Projects

Lateral 2 Rental Compressor replacement installed
Lateral 1 Rental Compressor replacement initiated but not completed

Land Projects

Completed the Expansion of the Mesaverde Participating Area by 25 Participating Areas in 19 separate expansions filed and approved by the BLM.

**RINCON UNIT
REVIEW OF OPERATIONS - 2008**

<u>No. Wells as of 12/31/08</u>	<u>All Formations</u>
Drilling	0
Drilled & Waiting on Completion	0
Producing	346
Shut-in	4
Abandoned	38
Injection	0
 <u>December 2008 Production</u>	
Oil - Barrels	2,683
Gas - MCF @14.73	832,364
Water - Barrels	4,061
Gas Injection - MCF @14.73	0
 <u>Production for Year 2007</u>	
Oil - Barrels	37,603
Gas - MCF @14.73	10,294,885
Water - Barrels	32,513
Gas Injection - MCF @14.73	0
 <u>Cumulative Production thru 12/31/07</u>	
Oil - Barrels	1,923,184
Gas - MCF @14.73	442,820,765
Water - Barrels	529,587
Gas Injection - MCF @14.73	0

**Chevron MidContinent
Rincon Unit
Rio Arriba County, New Mexico**

2009 Plan of Development

PLANNED WELLS TO BE DRILLED IN 2009

Well No.	Pool	Dedicated Acreage	UL	Sec	Twp/Rng
Rincon Unit 502	Basin Dakota/Blanco Mesaverde	N/2-328.03 Acres	H	25	27 N 7 W
Rincon Unit 506	Basin Dakota/Blanco Mesaverde	W/2-309.06 Acres	M	14	27 N 7 W
Rincon Unit 509	Basin Dakota/Blanco Mesaverde	S/2-327.70 Acres	L	23	27 N 7 W
Rincon Unit 801	Basin Dakota/Blanco Mesaverde	W/2-320.00 Acres	E	11	26 N 7 W
Rincon Unit 802	Basin Dakota/Blanco Mesaverde	E/2-320.76 Acres	P	2	26 N 7 W
Rincon Unit 803	Basin Dakota/Blanco Mesaverde	W/2-320.00 Acres	E	34	27 N 7 W
Rincon Unit 804	Basin Dakota/Blanco Mesaverde	W/2-322.29 Acres	F	6	26 N 6 W
Rincon Unit 805	Basin Dakota/Blanco Mesaverde	S/2-336.32 Acres	P	31	27 N 6 W
Rincon Unit 806	Basin Dakota/Blanco Mesaverde	E/2-341.43 Acres	J	35	27 N 7 W

Note that this sheet was amended 4/1/08 at the request of Cynthia Marquez of the BLM in Farmington @ (505) 599-8935. The dedicated acreage column was added to the original submittal at her request.



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See attached list of
Rincon Working Interest Owners

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Recap of 2008 Activity and Production
Rincon Unit, Rio Arriba County, New Mexico

Dear Rincon Working Interest Owners:

Enclosed you will find copies of the 2008 Review of Operations and Production activities and the proposed 2009 Plan of Development for the Rincon Unit. The same has been submitted to the United States Department of Interior Bureau of Land Management, the New Mexico Oil Conservation Division and the New Mexico State Lands Office Oil, Gas, Minerals Division seeking approval of our Plan of Development for 2009. Any changes to the plan for 2009 will be made by Amendments to the Plan as they become necessary.

If during your review of this material you should have any questions, please feel free to contact me at 281-561-4880 or by letter or email as indicated on the letterhead above.

Sincerely,


Arthur R. Boehm, Jr.
Senior Land Representative

RINCON UNIT WORKING INTEREST OWNERS

<u>Partner Name</u>	<u>Telephone/E-mail</u>	<u>Percentage WI</u>
Chevron Midcontinent, L.P.	N/A	76.820910%
ConocoPhillips Company Attn: Ms. Linda Dean P.O. Box 4289 Farmington, NM 87499-4289	(505) 326-9760 Linda.K.Dean@conocophillips.com	4.580090%
Burlington Resources Oil & Gas Company, L.P. Attn: Ms. Linda Dean P.O. Box 4289 Farmington, NM 87499-4289	(505) 326-9760 Linda.K.Dean@conocophillips.com	1.552170%
Burlington Resources EPPC Attn: Ms. Linda Dean P.O. Box 4289 Farmington, NM 87499-4289	(505) 326-9760 Linda.K.Dean@conocophillips.com	10.595270%
Omimex Petroleum Attn: Jason Alley 2001 Beach Street, Ste 810 Fort Worth Texas 76103		2.543780%
DeLaFosse Properties, Ltd. Attn: Pam Farmer P.O. Drawer 787 Albany, TX 76430	(325) 762-3353 pfarmer@vanoperating.com	1.302590%
H. R. Stasney & Sons, Ltd. Attn: Lance Thomas P.O. Drawer 3190 Albany, TX 76430	(325) 762-3311 lkthomas@stasney.com	1.302590%
Gwinn McMahan Lewis Investment Trust 3818 Cedar Springs Road, Suite 101-331 Dallas, TX 75219	(214) 871-9535 or (713) 515-8560 tlewis@rosettaenergy.com	0.651300%
Thomas V. McMahan Trust P.O. Box 1517 Houston, TX 77251-1517	(713) 977-8194 tommcmahan@sbcglobal.net	0.325650%
Thomas V. McMahan P.O. Box 1517 Houston, TX 77251-1517	(713) 977-8194 tommcmahan@sbcglobal.net	0.325650%