

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
AMENDED PROCEDURE PLAN
10/2/12

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)		WELL API NO. 30-039-06987
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Chevron Midcontinent L.P.		6. State Oil & Gas Lease No. NMNM78406D/NMSF079366
3. Address of Operator ATTN: Regulatory Specialist 332 Road 3100 Aztec, New Mexico 87410		7. Lease Name or Unit Agreement Name Rincon Unit
4. Well Location Unit Letter <u>G</u> : <u>1550</u> feet from the <u>North</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>21</u> Township <u>27N</u> Range <u>6W</u> NMPM County <u>Rio Arriba</u>		8. Well Number 180
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6547' GL		9. OGRID Number 241333
		10. Pool name or Wildcat Basin Dakota

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: ☐

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.

ORDER R 11363

Chevron Midcontinent L.P. respectfully requests approval for a Down Hole Commingle permit as approved by NMAC rule 19.15.12.E., pre-approved pools. The pre-approved pools in question are the Basin Dakota (71599) and the Blanco Mesaverde (72319).

The fluids from each pool are compatible and will be chemically treated as required chemically to mitigate reservoir damage. Commingling will not result in the loss of reserves from cross flow in the wellbore due to the installation of artificial lift. The commingling will prevent economic waste and protect correlative rights.
See attached procedure and well bore diagram.

DHC # 3723 AZ

RCVD OCT 3 '12
OIL CONS. DIV.

Spud Date:

7-31-1962

Rig Release Date:

DIST. 3

TOP OF CEMENT must be 500' ABOVE TOP PERF - CORRECT RUN

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

SIGNATURE

April E Pohl

TITLE Regulatory Specialist

DATE 10-2-12

Type or print name April E. Pohl

E-mail address: April.Pohl@chevron.com

PHONE: 505-333-1941

For State Use Only

APPROVED BY:

Walt J. Pohl

TITLE

Deputy Oil & Gas Inspector,
District #3

DATE

OCT 05 2012

Conditions of Approval (if any):

AV



Rincon Unit # 180

Rio Arriba County, New Mexico

Sec 21 – T 27N – R 6W

Field: Basin

API: 30-039-06987

1. REMOVE TUBING.
2. RUN SCRAPER, SET PLUG (~ 5520'), AND PRESSURE TEST THE CASING WITH COMPLETION WATER.
3. RUN GAMMA RAY, CEMENT BOND AND COLLAR LOCATOR LOGS FROM 4700' TO 5600'.
4. SELECTIVELY PERFORATE LOWER MESAVERDE FORMATION (5372'-5460').
5. FOAM-SAND FRAC THE LOWER MESAVERDE.
6. IF CBL SHOWS GOOD BOND ABOVE TOP PROPOSED UPPER MESAVERDE PERFORATION (TOP PERFORATION ~ 4865').
 - a. MOVE FORWARD WITH STEP 7.
 - b. DISCUSS PLAN WITH BLM AND NMOCD FIELD REPRESENTATIVES TO SQUEEZE CEMENT BEHIND CASING TO PREPARE FOR UPPER MESAVERDE COMPLETION.
 - c. STOP THE WORKOVER WITH ONLY LOWER MESAVERDE COMPLETION. DO NOT COMPLETE UPPER MESAVERDE AT THIS TIME AND PROCEED WITH STEP 10.
7. SET PLUG (~ 5100') FOR UPPER MESAVERDE COMPLETION.
8. SELECTIVELY PERFORATE UPPER MESAVERDE FORMATION (4865'-4942').
9. FOAM-SAND FRAC THE UPPER MESAVERDE.
10. DRILL OUT PLUG AND CLEANOUT TO PBTD (~7613').
11. RUN PRODUCTION TUBING AND LAND AT ~ 7612'.
12. INSTALL PLUNGER LIFT EQUIPMENT.
13. DOWNHOLE COMMINGLE MESAVERDE AND EXISTING DAKOTA PRODUCING ZONE.

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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 - 06987	² Pool Code 484507339	³ Pool Name Blanco Mesaverde
⁴ Property Code 302737	⁵ Property Name Rincon Unit	⁶ Well Number #180
⁷ OGRID No. 241333	⁸ Operator Name Chevron Midcontinent L.P.	⁹ Elevation GL 6547'

¹⁰ Surface Location

UL or lot no. G	Section 21	Township 27 N	Range 6 W	Lot Idn	Feet from the 1550	North/South line North	Feet from the 1650	East/West line East	County Rio Arriba
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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 300 2/2									¹³ Joint or Infill ¹⁴ Consolidation Code ¹⁵ Order No. R11363
									RCVD SEP 4 '12 OIL CONS. DIV. DIST. 3

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.

<div style="text-align: center;"> </div>	<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 order heretofore entered by the division</p> <p>Signature <u>James D. Micikas</u> Date <u>8-3-12</u></p> <p>Printed Name <u>James D. Micikas</u></p> <p>E-mail Address <u>micikid@chevron.com</u></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>

Rincon 180 Supplemental Data for C-107A

Well History

This well was drilled in 1962 and completed in the Dakota formation only. Chevron Midcontinent, L.P proposes to add a Mesaverde completion and seeks approval to downhole commingle with the Dakota. On current spacing and with the economic limitations in drilling a stand-alone Mesaverde well, this is the most economic method of capturing the Mesaverde reserves. By running artificial lift (plunger lifted) will prevent downhole problems between these three zones.

Production History

The current production is 45 mcf/d from the Dakota with very little oil and water. An estimated stabilize rate for the Mesaverde completion is 120 mcf/d and 0.5 bopd. This estimate is based on IP's, stabilized rates and current production from 9 latest MV completions in Rincon area. See attached graphs and table for supporting data.

Allocation of Production

Chevron Midcontinent, L.P proposes to use an allocation based on the subtraction method. A baseline of production and decline will be established from the existing production data. The incremental production added after the Mesaverde completion will be used to determine an appropriate allocation factor for the new zone. See the attached historical production curves for the existing Dakota producing zones.

Working Interest and Royalty

Chevron Midcontinent, L.P own 76.82% working interest in all formations in this area including Gallup and Dakota. There is no uncommon interest case for these two zones.

Overall, the approval of this downhole commingle with plunger lift will ensure the best way to recover marginal remaining reserves in the life of the Rincon 180 well. By doing so, this would protect the correlative rights and eliminate waste.



Current Wellbore Diagram:

