

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.

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

2. Name of Operator
Chevron MidContinent, L.P.

3a. Address
P.O. Box 36366, Houston, TX 77236

3b. Phone No. (include area code)
(281) 561-3599

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
20' FSL & 2635' FWL / SEC 21 T27N R6W

5. Lease Serial No.
NMSF-079366

6. If Indian Allottee, or Tribe Name
2007-08-26 07:11:55

7. If Unit or CA Agreement Name and/or No.
Rincon Unit NMNM 78406D

8. Well Name and No.
Rincon Unit #404

9. API Well No.
30-039-27706

10. Field and Pool, or Exploratory Area
Blanco Mesaverde / Basin Dakota

11. County or Parish, State
Rio Arriba County, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Chevron MidContinent, L.P. reports that we have chagned our drilling program for the above mentioned location. Please see the attached drilling program for your use and review. Should you have any questions or require any additional information, please feel free to contact us at anytime.

RCVD AUG2'07
OIL CONS. DIV.
DIST. 3

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct

Name (Printed/ Typed) Jennifer Hudgens	Title Regulatory Technician
Signature <i>Jennifer Hudgens</i>	Date 25-Jul-07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy L. Salvers	Title Petroleum Engineer	Date 7/30/2007
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office FFO

Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCDB

Rincon Unit #404 MV/DK
SE/4 SW4, 20 FSL & 2635 FWL
SEC 21, T27N R6W
Rio Arriba County, NM

EIGHT POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS (KB):

Formation	Depth (ft)
Ojo Alamo	2235
Kirtland	2681
Fruitland Coal	2994
Picture Cliffs	3138
Lewis	3233
Mesa Verde (Cliff House)	4837
Mesa Verde (Menefee)	4924
Mesa Verde (Point Lookout)	5315
Mancos	5771
Gallup	6521
Greenhorn	7282
Graneros	7365
Dakota	7497
Burro Canyon	7631
TD (4 1/2")	7727

2. NOTABLE ZONES AND PLAN FOR PROTECTION:

Gas or Oil Zones	Water Zones	Coal Zones
Fruitland		Fruitland
Pictured Cliffs	Ojo Alamo	
	Kirtland	
Cliffhouse		
Menefee		
Point Lookout		
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the engineer's recommendations.

3. PRESSURE CONTROL EQUIPMENT:

Maximum anticipated pressure is ~ 2700 psi.

Pressure control equipment shall be in accordance with BLM minimum standards.

One 11" 3M double ram preventer and one 11" 3M annular preventer will be used. The double ram preventer will be equipped with pipe rams on bottom and

**Rincon Unit #404 MV/DK
SE/4 SW4, 20 FSL & 2635 FWL
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blind rams on top. All BOPs meet API 16D. One Shaffer 7 station accumulator, API 16E. One 3" 5M choke manifold. The choke and kill lines will be connected to outlets below the bottom rams, utilizing either the ram body outlet or a drilling spool with side outlets. Tests will be recorded on IADC log. Please refer to attached schematic. Test procedure and frequency shall be in accordance with BLM minimum standards for 3000 psi equipment, per BLM Oil & Gas Order #2.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

Casing Information: All casing will be new pipe and tested to 1500 psi.

Hole Size	O.D.	Weight (lb/ft)	Grade	Age	Connection	GL Setting Depth	Stage	Centralizers
12-1/4"	9-5/8"	36#	J-55	New	LTC	400	No	*
8-3/4"	7"	20#	J-55	New	LTC	2900	No	As needed
6-1/4"	4-1/2"	11.6#	N-80	New	LTC	7727		

*Centralizers will be placed on the bottom three joints and every fourth joint thereafter.

Surface casing will be cemented to the surface with ~258 cu. ft. (~215 sx) Premium cmt (1.2 ft³/sx yield, 15.6 ppg, & 5.2 gps) with 2% CaCl₂ and 1/4#/sx Poly-E-Flake. Volume based on 100% excess. We plan to run a minimum of at least 3 centralizers. A wiper plug will be displaced to within 20' of the shoe. WOC = 8 hours minimum. Surface casing will be tested to 500 psi for 15 minutes.

Intermediate casing will be cemented to surface with a single stage. Total cement = 745 cu. ft.. Volumes are calculated at 75% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. WOC = 8 hours minimum. Test to 1000 psi for 15 minutes.

Lead cement will be ~619cu. ft. (~328 sx) Premium Light w/ 5#/sx gilsonite, 12.4 ppg for a yield of 1.89 cu. ft. per sx.

Tail cement will be ~126 cu. ft. (~95 sx) 50/50 Poz Premium w/ 5#/sx gilsonite & 1/4#/sx Poly-E-Flake, 13.5 ppg for a yield of 1.32 Cu. ft. per sx.

Cementing equipment will include a guide shoe, and float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

Production casing will be cemented up to 500' inside the intermediate casing with a single stage. Total cement = ~~1016~~ cu. ft.. Volumes are calculated at

954 ft³

**Rincon Unit #404 MV/DK
SE/4 SW4, 20 FSL & 2635 FWL
SEC 21, T27N R6W
Rio Arriba County, NM**

75% excess. If necessary, a CBL will be run during completion operations to insure cement coverage inside the 7" intermediate casing. Casing will be pressure tested to 6000 psi during completion operations.

Cement will be ~954 cu. ft. (~729 sx) 50/50 Poz Premium w/ ¼#/sx Poly-E-Flake, 0.4% Halad ®-9, 0.1% HR-5, 13.5 ppg for a yield of 1.32 Cu. ft. per sx.

Cementing equipment will include a guide shoe, and float collar will be run 20' off bottom with a centralized shoe joint and next five joints. Centralizers will be run across the producing zones.

5. CIRCULATING MEDIUM AND MUD TYPE:

Depth	Type	Wt./ppg	Viscosity	Fluid Loss	pH
Spud – 400'	WBM	8.4 – 8.8	32 – 38	NC	9-9.5
400' – 2900'	WBM	8.4 – 9.0	28 – 42	10-12	9-10
2900' – TD	Air &/or Air/mist	n/a	n/a	n/a	n/a

Lost circulation and absorption material will be on location.

6. ANTICIPATED TYPE AND AMOUNT OF LOGGING, CORING, AND TESTING:

Open hole logs are planned. No cores or drill stem tests are planned.

7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H₂S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:

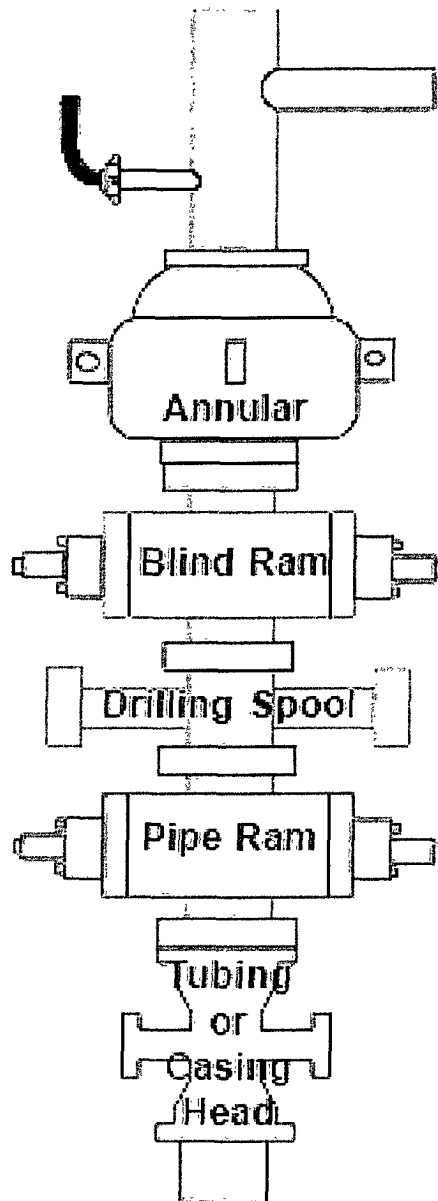
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be less than ~2700 psi.

8. OTHER:

It is expected it will take approximately ten (10) days to drill and ten (10) days to complete the well. Completion will start approximately one month after the spud and will include hydraulic fracturing.

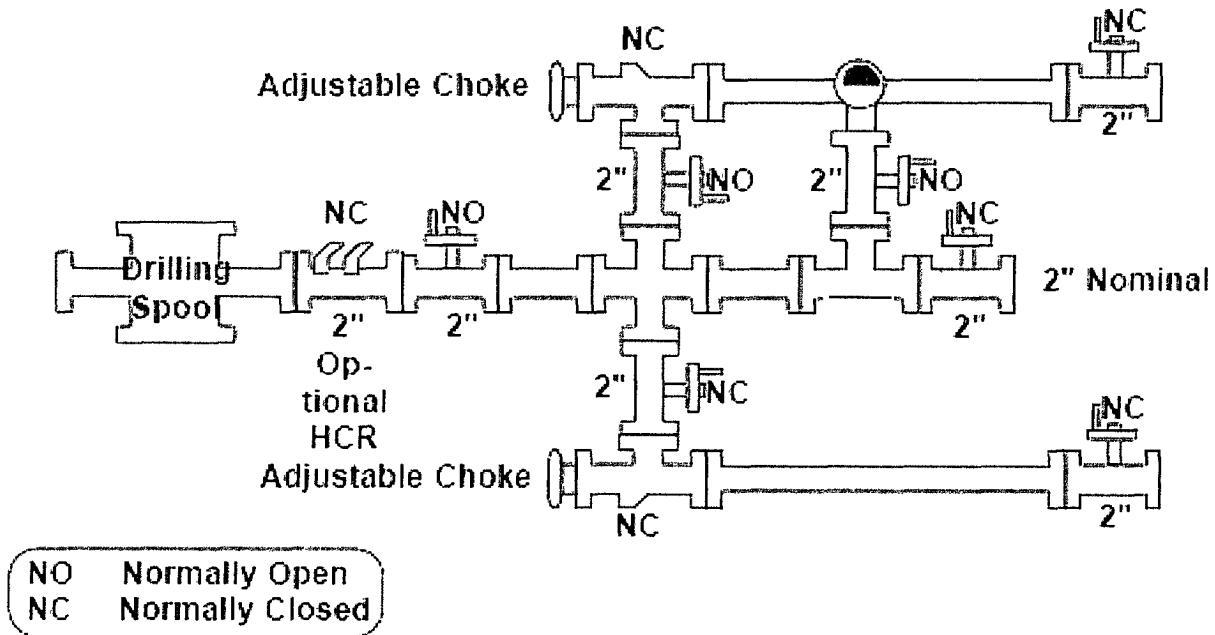
Rincon Unit #404 MV/DK
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SEC 21, T27N R6W
Rio Arriba County, NM

CLASS III BOP SCHEMATIC



Rincon Unit #404 MV/DK
SE/4 SW4, 20 FSL & 2635 FWL
SEC 21, T27N R6W
Rio Arriba County, NM

CLASS III CHOKE SCHEMATIC



DRILLING CONDITIONS OF APPROVAL

Operator: Chevron MidContinent L.P.
Lease No.: NMSF-079366
Well Name: Rincon Unit #404
Well Location: Sec. 21, T27N, R06W; 20' FSL & 2635' FWL

I. Centralizers to impart a swirling action around the casing (such as turbolators) are required just below and into the base of the lowest usable water zone.

II. Since no BOPE test pressures were proposed, it is recommended that Chevron MidContinent L.P. test the BOP and related equipment according to Onshore Order No. 2 *Minimum Standards and Enforcement Provisions For Well Control Equipment Testing*.

***Test BOPE to a minimum of 1000 psi based on an anticipated surface pressure of 1000 psi. Report all BOPE and casing pressure test results on sundry form 3160-5.**