

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 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, NM 87505

Form C-144 CLEZ
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

3391 Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Chevron Midcontinent, L.P. OGRID #: 241333
Address: 15 Smith Road, Midland, TX 79705 (c/o Alan W. Bohling, Room 4205)
Facility or well name: Rincon Unit # 166E
API Number: 30-039-25483 OCD Permit Number: _____
U/L or Qtr/Qtr UL F, SENW Section 32 Township 27-N Range 06-W County: Rio Arriba
Center of Proposed Design: Latitude 36.532517 Longitude -107.492693 NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☒ Above Ground Steel Tanks or ☐ Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.3.103 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: Envirotech (solids) Disposal Facility Permit Number: NM-01-0011
Disposal Facility Name: Key Energy (liquids) Disposal Facility Permit Number: NM-01-0009
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Alan W. Bohling Title: Regulatory Agent
Signature: Alan W. Bohling Date: 03/09/2009
e-mail address: ABohling@chevron.com Telephone: (432) 687-7158

7. **OCD Approval:** ☒ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: Bel Ruff Approval Date: 3-30-09

Title: Enviro Spec OCD Permit Number: _____

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print) _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Chevron Midcontinent, L.P. (241333)
Closed-loop Plans

Closed-loop Design Plan

CMLP's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for workover rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

1. Fencing is not required for an above ground closed-loop system
2. It will be signed in compliance with 19.15.3.103 NMAC
3. Frac tank(s) will be on location to store fresh water/KCL/returns.

Closed-loop Operating and Maintenance Plan

CMLP's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

1. The liquids will be vacuumed out and disposed of by Key Energy (Disposal Facility Permit # NM-01-0009). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) on a periodic basis to prevent over topping.
2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by workover rig operations will be placed or stored in the tank.
3. The NMOCD Division District Office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately
4. All of the above operations will be inspected and a log will be signed and dated. During workover rig operations, the inspection will be daily.

Closed-loop Closure Plan

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit # NM-01-0011) immediately following rig operations. All remaining liquids will be transported and disposed of in the Key Energy Disposal Facility (Permit # NM-01-0009). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible. If area off the location is affected it will be restored and re-vegetated upon completion of the work over project.

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr, Hobbs, NM 88240
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District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-039-25483

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

EO-3149-0011

7. Lease Name or Unit Agreement Name

Rincon Unit (302737 Prop Code)

8. Well Number

166E

9. OGRID Number

241333

10. Pool name or Wildcat

Basin-DK/Blanco-MV & S, Blanco-PC

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)

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

2. Name of Operator

Chevron Midcontinent, L.P. (241333)

3. Address of Operator

15 Smith Road Midland, Texas 79705 (c/o Alan W. Bohling, Rm 4205)

4. Well Location

Unit Letter F : 1815 feet from the North line and 1840 feet from the West line

Section 32 Township 27-N Range 06-W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6,650' GR

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 ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Pull Dual Tubing, Acidize & Triple DHC Produce ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This well is currently DHC completed in the Basin-Dakota (71599) Pool from 7483'-7570', and the Blanco-Mesaverde (72319) Pool from 4876'-5485' by Administrative Order DHC-1784, Approved 02/24/1998. It is also dually completed with the Blanco, South-Pictured Cliffs (72439) Pool.

Chevron Midcontinent, L.P. now respectfully submits, for your approval, this Sundry NOI to pull the dual tubing and production equipment in this well, acidize each formation, then DHC all three zones within this wellbore (Triple DHC Order currently pending approval at NMOC-D-Santa Fe and the BLM has "Accepted for Record" the Triple DHC Application on 03/02/2009) per the following and attached Continuation Page 2 and Wellbore Diagram:

1. Install & test rig anchors. Comply w/ all Regulatory Agency & Chevron HES Regulations.
2. MIRU WO Rig, ND WH, NU CO spool, BOP's & lines to FB tank. Test BOP's. POOH w/ short string of tbgr. RU on long string & release pkr @ 3465'. POOH w/ long string.
3. RIH w/ 6-1/8" bit, scraper, & bit sub on WS to PBTD of 7522'. Circulate well clean w/ air & foam sweeps as needed. POOH.

(See attached Continuation Page 2 & Wellbore Diagram)

Spud Date:

Rig Release Date:

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

SIGNATURE Alan W. Bohling TITLE Regulatory Agent DATE March 09, 2009

Type or print name Alan W. Bohling E-mail address: ABohling@chevron.com PHONE: 432-687-7258

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



(Continuation Page 2, C-103 NOI, Pull Dual Tubing, Acidize & Triple DHC Produce, March 09, 2009)

Rincon Unit Well #166E

API: 30-039-25483

Basin-Dakota/Blanco-Mesaverde & S, Blanco-Pictured Cliffs

1815 FNL & 1840 FWL

SENW, Sec 32, T-27-N, R-06-W

Rio Arriba County, New Mexico

4. RIH w/ WS & 7" pkr & RBP combo to acidize the Dakota perfs (Graneros 7356'-7404' & Dakota 7483'-7570'), Mesaverde perfs (5365'-5485' & 4876'-4990'), and Pictured Cliffs perfs (3134'-3154') in 4 stages. POOH.
5. RIH w/ Notched collar, SN, & 2-3/8" prod. tbg. Circulate & CO w/ air & 2% KCl.
6. Land 2-3/8" prod tbg w/ EOT@ ~7565'.
7. N/D BOP's. NU WH. RDMO WO rig. Turn well over to production.



Rincon 166E

API # 30-039-25483

Rio Arriba County, New Mexico

Proposed Well Schematic as of 3/9/09

API: 30-039-25483
Legals: Sec 32- Town 27N- Range 6W
Field: Basin Dakota/ Blanco Mesaverde/
Blanco Pictured Cliffs

KB 14'
GR Elev 6650'
KB Elev 6664'

Spud: 9/9/95

Surface Casing:
9-5/8" 36# K-55 ST&C csg landed @ 370' in 12-1/4" hole
Cmt w/ 225 sks class G
Circ to surface

Pictured Cliff Perfs: 3/7/98
3134-3154'

2 SPF, .37", 40 holes
Frac w/ 417 bbls 70Q N2 foam & 20# linear gel w/ 134,800# 20/40 Arizona
1580-1370#, avg press 1450#, 25 BPM, ISIP 1450#

Proposed Tubing Details:
2-3/8" 4.7# J-55 set at ~7565'

Upper Mesaverde Perfs: 10/26/95
4876-84', 4934-90'

4" gun, 2 SPF 90' phasing, 23g
Frac w/ 936 bbls slickwater & 30M (47M pumped) # 16/30 Brady
60-45 BPM, 1-2.5 ppg, 3800-2800#, avg press 2800#
Screened out w/ 30M# in formation

Lower Mesaverde Perfs: 10/26/95
5364-67', 5374-77', 5393-96', 5409-13', 5446-50', 5453-56',
5459-63', 5482-85'

4" gun, 1 SPF, 23g
Frac w/ 1537 bbls slickwater & 61M # 16/30 Brady
60 BPM, 1-2.5 ppg, 1270-2700#, avg press 1950, ISIP 400#

Graneros Perfs: 10/25/95
7356-68', 7398-404'

4" csg gun, 2 SPF, 90' phasing, 23 g
Frac w/ 900 bbls YF 135 gel & 94,500# 20/40 Ottawa

Dakota Perfs: 10/24/95
7483-94', 7528-32', 7536-44', 7554-70'
4" csg guns, 2 SPF, 90' phasing, 23g

Frac w/ 1830 bbls YF 135 gel & 200M # 20/40 Ottawa
30 BPM, 960-2500 press, avg press 1900#, ISIP 2150#

Production Casing:
7" 23# & 26# K-55 LT&C csg @ 7658' in 8-3/4" hole
Cmt 1st stage 450 sks 50/50 poz, tailed w/ 175 sks "G"

Lost circ @ 160 Bbls displacement, then full returns @ 240 Bbls
Cmt 2nd stage 300 sks 65/35 Poz, 250 sks 50/50 Poz, tailed w/ 175 sks "G"
Circ 100 sks cmt to surface

DV tool @ 5125'

TOC @ 5350'
by CBL 10/16/95

FC @ 7613'

PBTD = 7598'
TD = 7660'