

DATE IN 3/18/2014	SUSPENSE	ENGL. EX RE	LOGGED IN 3/24/2014	TYPE NSL	APP NO. PMAM1408337313
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

NSL
DHC
- CHEURON
Mid continent, Lp.
241333

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

weh
- Rincon 130M
30-039-26568
Pool
- Blanco mesa
72319

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

- South Blanco
Tocito
6460
- Basin Dakota
71599

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

MICHAEL H. FELDEWERT

Print or Type Name

Signature

ATTORNEY

Title

03/18/14

Date

mfeldewert@hollandhart.com
e-mail Address



Michael H. Feldewert
Recognized Specialist in the Area of Natural
Resources - oil and gas law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

March 18, 2014

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Chevron Midcontinent, L.P. for administrative approval of an unorthodox well location in the South Blanco Tocito Oil Pool (6460) for its Rincon Unit 130M well located in NE/4SE/4 of Section 32, Township 27 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico; and for approval to downhole commingle production from the South Blanco Tocito Oil Pool (6460), the Basin Dakota Gas Pool (71599) and the Blanco Mesaverde Gas Pool (72319).

Dear Ms. Bailey:

Chevron Midcontinent, L.P. (OGRID No. 241333) seeks administrative approval of an unorthodox well location for its **Rincon Unit 130M** well to be re-completed within the South Blanco Tocito Oil Pool (6460) underlying E/2 SE/4 of Section 32, Township 27 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well is located 667 feet from the East line and 1881 feet from the South line (Unit I) of Section 32. This acreage is governed by the Special Rules and Regulations for the South Blanco Tocito Oil Pool adopted under Division Order R-1191. Rule 2 of these special rules require 80 acre spacing units and Rule 3 requires all wells to be located in the center of the Northwest quarter or the Southeast quarter of a governmental quarter section, with a tolerance of 100 feet in any direction to avoid surface obstruction. This well, therefore, is unorthodox because it is located in the Northeast quarter-quarter section.

Additionally, Chevron seeks administrative approval to downhole commingle production from the South Blanco Tocito Oil Pool (6460) with the Basin Dakota Gas Pool (71599) and the Blanco Mesaverde Gas Pool (72319).

Enclosed as **Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102) reflecting the location of the **Rincon Unit 130M** well in the South Blanco Tocito Oil Pool.

Enclosed as **Exhibit B** is a land plat depicting the **Rincon Unit 130M** well in relation to adjoining units and further identifies the owners in the affected leases.

Holland & Hart LLP

Phone: [505] 988-4421 Fax: [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address: P.O. Box 2208 Santa Fe, NM 87504-2208

Denver Aspen Boulder Colorado Springs Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Salt Lake City Santa Fe Washington, D.C.

HOLLAND & HART^{LLP}



The only party affected by the unorthodox well location is XTO Energy Inc. ("XTO"). A copy of this application with all attachments has been sent by certified mail to XTO advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application.

Enclosed as **Exhibit C** is a completed Application for Downhole Commingling (Form C-107-A) and attachments. Since the ownership and percentages between the pools involved are identical, there are no affected parties. However, pursuant to NMAC 19.15.12.11.C(1)(c), a copy of this application has been provided to the Bureau of Land Management and the New Mexico State Land Office by certified mail.

Your attention to this matter is appreciated.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR CHEVRON MIDCONTINENT, L.P.

cc: Bureau of Land Management

New Mexico State Land Office

XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102

Enclosures

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of Natural
Resources - oil and gas law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

March 18, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

XTO Energy Inc.
Patrick Kunc
810 Houston Street
Fort Worth, TX 76102

Re: Application of Chevron Midcontinent, L.P. for administrative approval of an unorthodox well location in the South Blanco Tocito Oil Pool (6460) for its Rincon Unit 130M well located in NE/4SE/4 of Section 32, Township 27 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

Dear Mr. Kunc:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kristen Hunter
Land Representative
Chevron Midcontinent, L.P.
1400 Smith, Rm. 47116
Houston, Texas 77002
Tel (713) 372-1708
Kristen.Hunter@Chevron.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR CHEVRON MIDCONTINENT, L.P.

Holland & Hart ^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Denver Aspen Boulder Colorado Springs Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Salt Lake City Santa Fe Washington, D.C. ☉

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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 30-039-26568	² Pool Code 6460	³ Pool Name South Blanco Tocito
⁴ Property Code 302737	⁵ Property Name Rincon Unit	
⁷ OGRID No. 241333	⁸ Operator Name Chevron Midcontinent, L.P.	
		⁶ Well Number 130 M
		⁹ Elevation 6680'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	32	27N	6W		1881'	South	667'	East	Rio Arriba

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 80 ac E/2SE		¹³ Joint or Infill		¹⁴ Consolidation Code U		¹⁵ Order No. Unitization R-87			

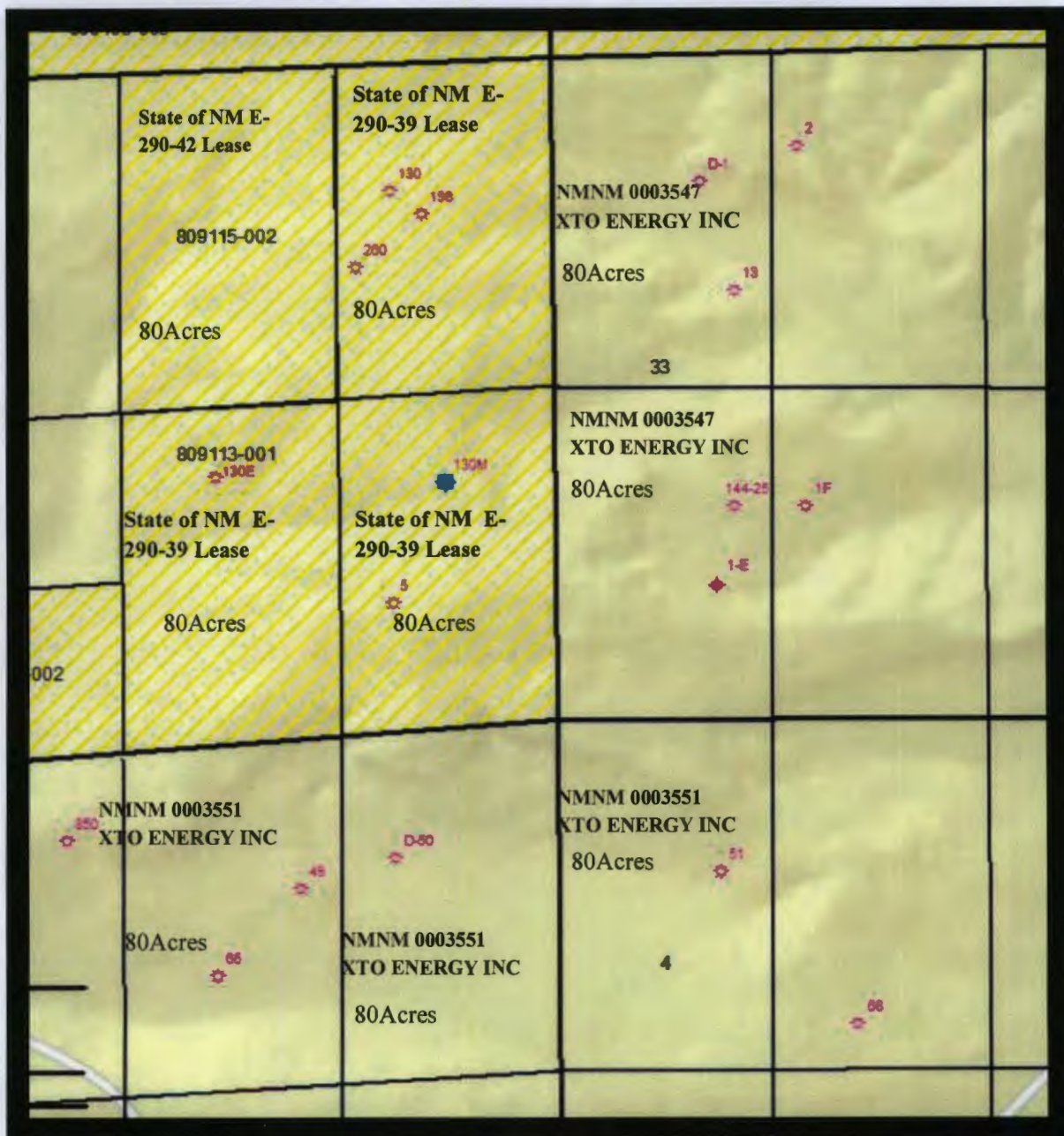
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p>S.B. Tocito →</p> <p>S 84° 46' 16" W</p>	<p>Lat/Long: 36.5290448396251 - 107.484136001178</p> <p>667'</p> <p>1881'</p>	<p>" OPERATOR CERTIFICATION</p> <p><i>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</i></p> <p>Signature <u><i>Jamie Elkington</i></u> Date <u>2/12/11</u></p> <p>JAMIE ELKINGTON, Production Engineer</p> <p>Printed Name</p> <p>ELKI@chevron.com</p> <p>E-mail Address</p>	
		<p>" SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>10/25/2000 on file @ NMOCD</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
		<p>ON FILE @ NMOCD</p> <p>Certificate Number: 8894</p>	




EXHIBIT

A

Rincon 130M Well-30-039-26568 1881' FSL-667' FEL
Section 32: 27N-6W



KEY:

-  Leases Contributing to Rincon Unit
-  Leases Not Contributing to Rincon Unit
-  Rincon 130E-Existing Tocito Production

Chevron Chevron North America
 Exploration and Production Company
 A Division of Chevron U.S.A. Inc.

Spacing Unit: Rincon 130M Tocito Completion
Rio Arriba County, New Mexico
Section 32: T27N-R6W

File: <File Reference> Scale: 1:17,267

Created by HUNTER, KRISTEN on 3/5/2014 1:49:17 PM

Please be advised that the land information that is provided within may be time sensitive. Any use of this land data for purposes other than that for which the original data was generated may result in inaccurate information. This document may include proprietary, confidential, and copyrighted data. For internal use only. Portions of this data may be copyrighted by TGSNI International, L.L.C. Copyright 2010 Maguire's Assets

EXHIBIT
B

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., 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, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CHEVRON MIDCONTINENT, L.P.

1400 SMITH STREET HOUSTON TEXAS 77002

Operator

Address

State of NM E290-39

Rincon 130M

1-E½ Section 32: 27N-6W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 241333 Property Code 302737 API No. 30-039-26568 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	South Blanco Tocito	Basin Dakota
Pool Code	72319	6460	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4944'-5227'	6904'-6915'	7376'-7592'
Method of Production (Flowing or Artificial Lift)	Now: Plunger Future: Beam Pump	Beam Pump	Now: Plunger Future: Beam Pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	NA	NA	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1257	1257	1257
Producing, Shut-In or New Zone	Producing	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 11/1/13 Rates: Gas- 1282 MCFPD Oil- 2 BPOD	Date: Rates:	Date: 11/1/13 Rates: Gas- 1770 MCFPD Oil- 1 BPOD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 85 % 96 %	Oil Gas % %	Oil Gas 15 % 4 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☒ No ☐

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. SEE ATTACHED
Production curve for each zone for at least one year. (If not available, attach explanation.) SEE ATTACHED
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula. ALLOCATION METHOD. Please see production curve
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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

SIGNATURE

TITLE

DATE

TYPE OR PRINT NAME

TELEPHONE NO.

E-MAIL ADDRESS

EXHIBIT

C

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26528		*Pool Code 72319	*Pool Name Blanco Mesa Verde
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 130M
*OGRD No. 189071	*Operator Name PURE RESOURCES		*Elevation 6680'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	32	27-N	6-W		1881'	SOUTH	687'	EAST	RIO ARriba

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
*Dedicated Acres 320E/2			*Joint or Infill		*Consolidation Code		*Order No.		

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>16</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Michael C. Phillips</i> Signature</p> <p>Michael C. Phillips Printed Name</p> <p>San Juan Basin Foreman Title</p> <p>11/21/00 Date</p>
	<div>18 SURVEYOR CERTIFICATION</div> <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 knowledge and belief.</p> <p><i>James A. Phillips</i> Signature</p> <p>8894 Certificate Number</p>

EXHIBIT

C-1

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26528		*Pool Code 71599 -	*Pool Name Basin Dakota -
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 130M
*OGRD No. 189071	*Operator Name PURE RESOURCES		*Elevation 6680'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	32	27-N	6-W		1881'	SOUTH	667'	EAST	RIO ARriba

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
*Dedicated Acres 320 E/2			*Joint or Infill		*Consolidation Code		*Order No.		

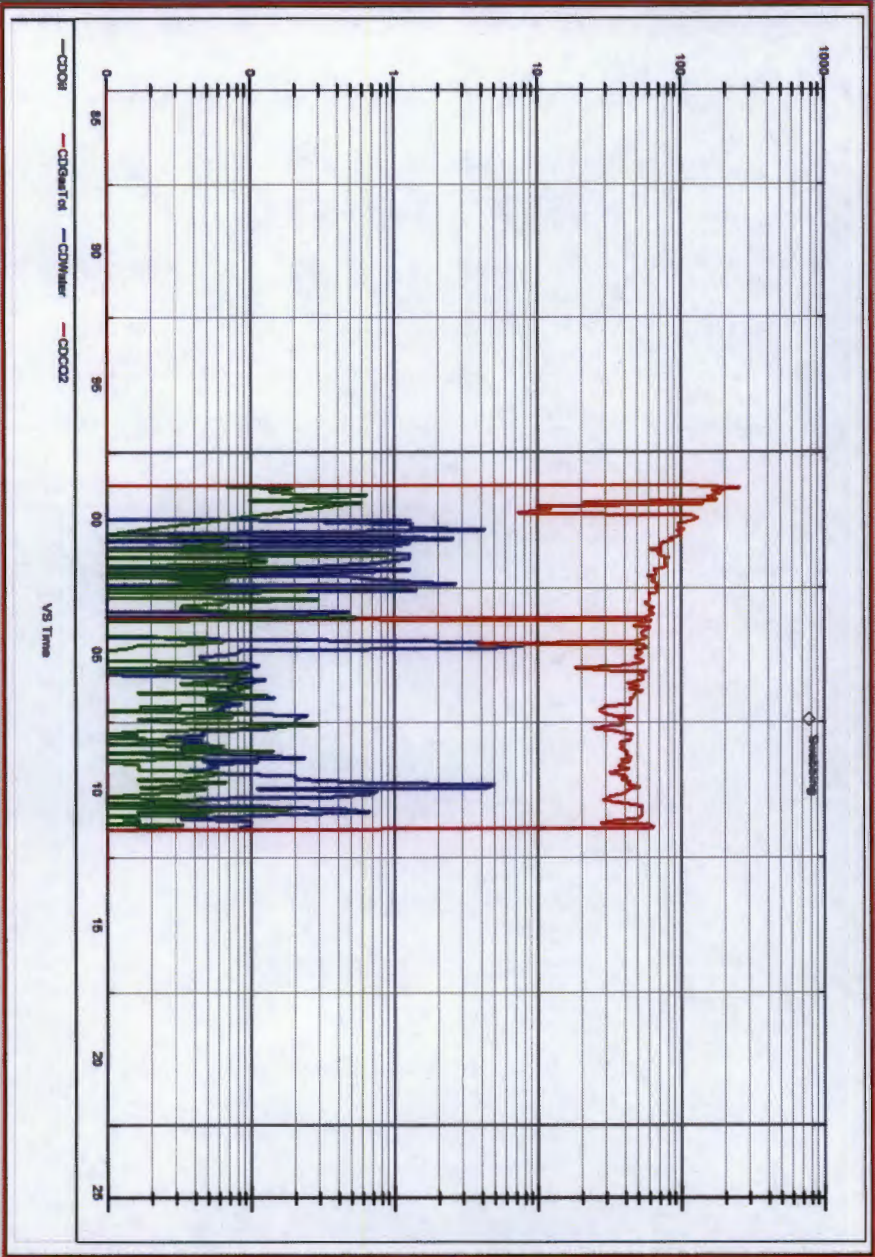
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>130E</p> <p>130M</p> <p>130</p> <p>32</p> <p>1881'</p> <p>667'</p> <p>6680'</p> <p>SEC. CORNER FD. BRASS CAP BLM 1955</p> <p>S 84°-16'-18" W 53' .98"</p> <p>QTR. CORNER FD. BRASS CAP BLM 1955</p> <p>N 00°-25'-17" W 2549.31'</p> <p>18</p>	<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.</p> <p><i>Michael C. Phillips</i> Signature Michael C. Phillips Printed Name San Juan Basin Foreman Title 11/21/00 Date</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 knowledge.</p> <p><i>John A. Phillips</i> Signature John A. Phillips Printed Name 8894 Certificate Number</p>
--	---

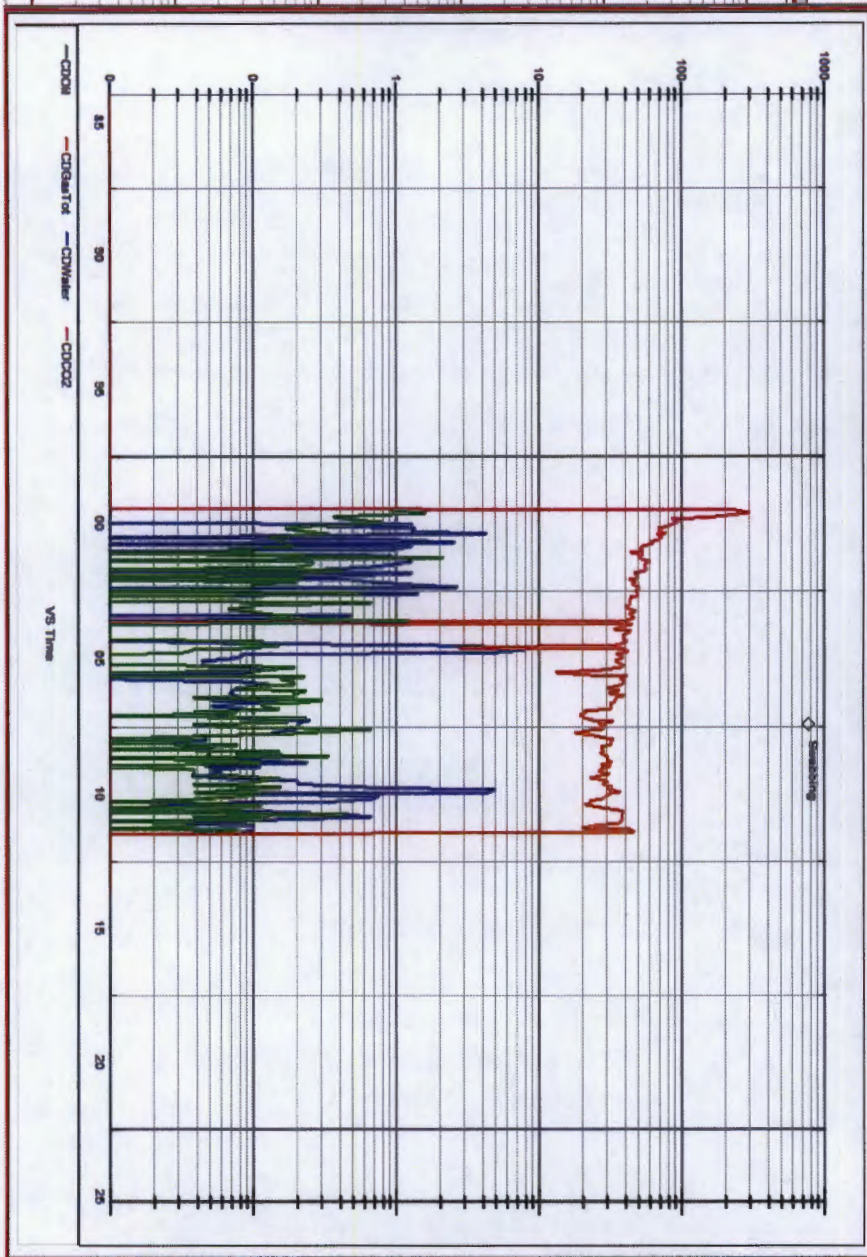
EXHIBIT

C-2

Name: RWU 1304 DK ID: 30039265680001 Type: Completion Format: [q] Comp - C3Prod vs Time
 WELL LABEL: RWU 1304 DK
 CHEVNO: H88308
 FIELD CODE: ULS
 PROD METH: FL
 LASTOCLIM: 0.30000000
 SIDE TRACK: 0
 LEASE: RIMCON UNIT
 CLASS CODE: GA
 LASTOCLIM: 278.40200000
 CC: NAT-RIMCON UNIT DAKOTA PA
 COMP: NAT: 01
 SEC: FR: 32 - W027 - W000
 RES CODE: 0000005733
 RES: DAKOTA

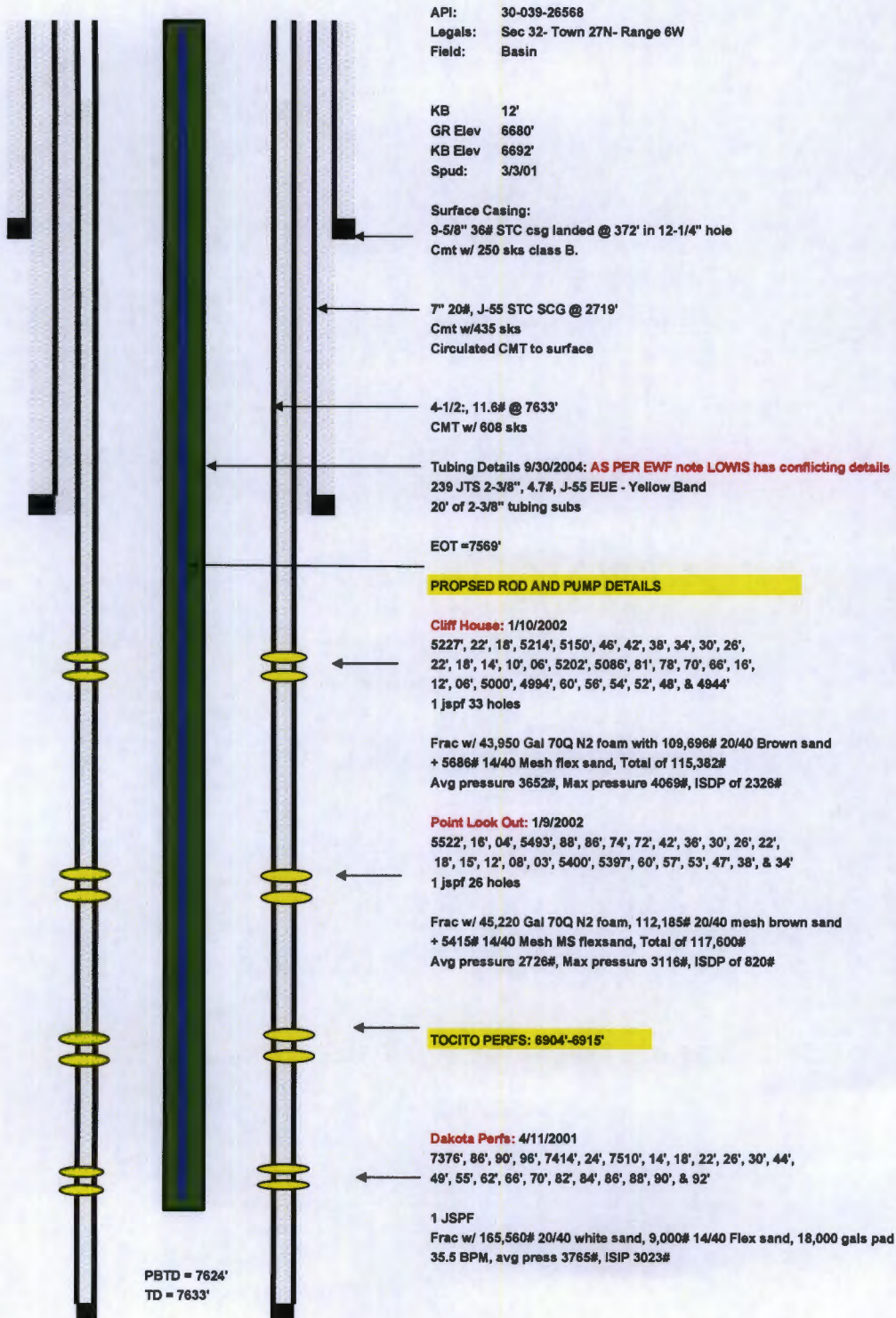


Name: RINU 130M MV ID: 30039255600002 Type: Completion Format: [p] Comp - CDF Prod vs Time
 WELL LABEL: RINU 130M MV FIELD_CODE: ULB PROD_METHOD:
 CHEVNO: HB308 FIELD_CODE: RINCON CLASS_CODE: CR LASTOCCUR: 70707000
 SIDETRACKS LEASE: RINCON UNIT SAP_CODE: BCLM003 LASTOCCUR: 1847000000
 COMP_MU002 SEC-T-A-32 - IN27 - IN000 RES_CODE: 0000007899 CC_NAME: RINCON UNIT - MESA VERDE PA
 RES_MEANVERDE





Rincon 130M
Rio Arriba County, New Mexico
PROPOSED WBD - TOCITO ADD



Jamie Elkington
9/18/2013

Prepared by:
Date:

Revised by:
Date:

