

6/03/2014 DATE IN	SUSPENSE	MAM ENGINEER	6/03/2014 LOGGED IN	DHC TYPE	DMA41415-454542 APP NO
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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]

[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 _____

-DHC-2355-A
-CH-union midcontinent
L.P.
241333
WCU
-Kincon Unit 20)
30-039-20774
Pool
-BLANCO
mesavende
72319
-LAUGO G-114p
80000
-BASIN DAKOTA
71599

[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

[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.

April E Pohl
Print or Type Name

April E Pohl
Signature

Permitting Specialist
Title

6/4/2014
Date

April.Pohl@chevron.com
e-mail Address



Chevron Midcontinent, L.P.
332 Road 3100
Aztec, NM 87410

January 23, 2014

State of New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

**Re: Rincon Federal Unit:
Rio Arriba County**

To Whom It May Concern:

Chevron would like to downhole commingle production from the Largo Gallup Gas Pool with existing Blanco Mesaverde and Basin Dakota production in the Rincon 201 well. Please find enclosed a completed C-103 form, completed C-102 form, current production data, and a copy of Order No. R-9893 for the Administrative Downhole Commingling Procedure.

Commingling of the zones should not reduce the total remaining production value of this well. Chevron plans to use the incremental allocation method to account for the additional production from the Largo Gallup. Any additional production to the current production will be attributed to the Largo Gallup.

We plan to send notification to all offsetting operators surrounding the well. In addition, by copy of this letter, we are notifying the BLM of our intent to downhole commingle production for the Rincon 201. Please return your approval for the attached applications.

Sincerely,

April Pohl
Regulatory Specialist
San Juan Basin

Cc: BLM

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

District II
811 S. First St., Artesia, NM 88210

District III
1001 Rio Huerfano 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

E-291-3

Rincon 201

G: E 1/4 Section 2: 26N-7W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 241333 Property Code 302737 API No. 30-039-20774 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	Largo Gallup	Basin Dakota
Pool Code	72319	8000	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5213'-5315'	6760'-6775'	7267'-7456'
Method of Production (Flowing or Artificial Lift)	Current: Plunger Future: Beam Pump	Beam Pump	Current: 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)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1315	1315	1315
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-26 mcfpd Oil-0.35 bopd	Date: NA Rates:	Date: 11/1/13 Rates: Gas-11 mcfpd Oil-0.3 bopd
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 54 % 30 %	Oil Gas % %	Oil Gas 46 % 70 %

ADDITIONAL DATA

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

Yes ☐ No ☐

PLEASE SEE ATTACHED ORDER NO. R-9893: ADMINISTRATIVE PROCEDURE FOR NOTIFICATION

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

Yes ☐ No ☐

PLEASE SEE ATTACHED ORDER NO. R-9893: ADMINISTRATIVE PROCEDURE FOR NOTIFICATION

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 ☐

NMOC Reference Case No. applicable to this well: _____ Case number 10663 _____

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. PLEASE SEE ATTACHED
Production curve for each zone for at least one year. (If not available, attach explanation.) PLEASE SEE ATTACHED
For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula. SEE PRODUCTION CURVE

Notification list of working, royalty and overriding royalty interests for uncommon interest cases. UNIFORM WORKING INTEREST

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 _____

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 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 October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20774		² Pool Code 72319		³ Pool Name BLANCO MESAVERDE	
⁴ Property Code 011510		⁵ Property Name RINCON UNIT			⁶ Well Number 201
⁷ OGRID No. 023708		⁸ Operator Name UNION OIL COMPANY OF CALIFORNIA (UNOCAL)			⁹ Elevation 6661'

¹⁰ Surface Location

UL or lot no. G	Section 2	Township 26N	Range 7W	Lot Idn	Feet from the 1690	North/South line N	Feet from the 1725	East/West line E	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 320.76	¹³ Joint or Infill Y	¹⁴ Consolidation Code U		¹⁵ Order No. Unitization					

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>1690'</p> <p>1725'</p> <p>Sec. 2</p> <p>E-291-3</p> <p>RECEIVED MAY 21 1999 OIL CON. DIV. DIST. 3</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</p> <p><i>Heather Dahlgren</i> Signature</p> <p>Printed Name HEATHER DAHLGREN</p> <p>Title ENGINEERING TECHNICIAN</p> <p>Date 5-3-99</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</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
	<p>Certificate Number</p>	

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 30-039-20774		² Pool Code 8000		³ Pool Name Largo Gallup Gas Pool	
⁴ Property Code 302737		⁵ Property Name Rincon 201		⁶ Well Number Rincon 201	
⁷ OGRID No. 241333		⁸ Operator Name CHEVRON MIDCONTINENT, L.P.		⁹ Elevation 6661	

* Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	2	26N	7W		1690	NORTH	1725	EAST	Rio Arriba

" 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

¹¹ Dedicated Acres 320	¹² Joint or Infill	¹³ Consolidation Code U	¹⁴ Order No. R-37
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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>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>Original Signed by D. G. Brisco</p> <p>Name Dillon Clark</p> <p>Position Oil Field Engineer</p> <p>Company September 11, 1973</p> <p>Date</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 and belief.</p> <p>Date Surveyed August 27, 1973</p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p>Fred B. Kerr Jr.</p> <p>3950</p>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

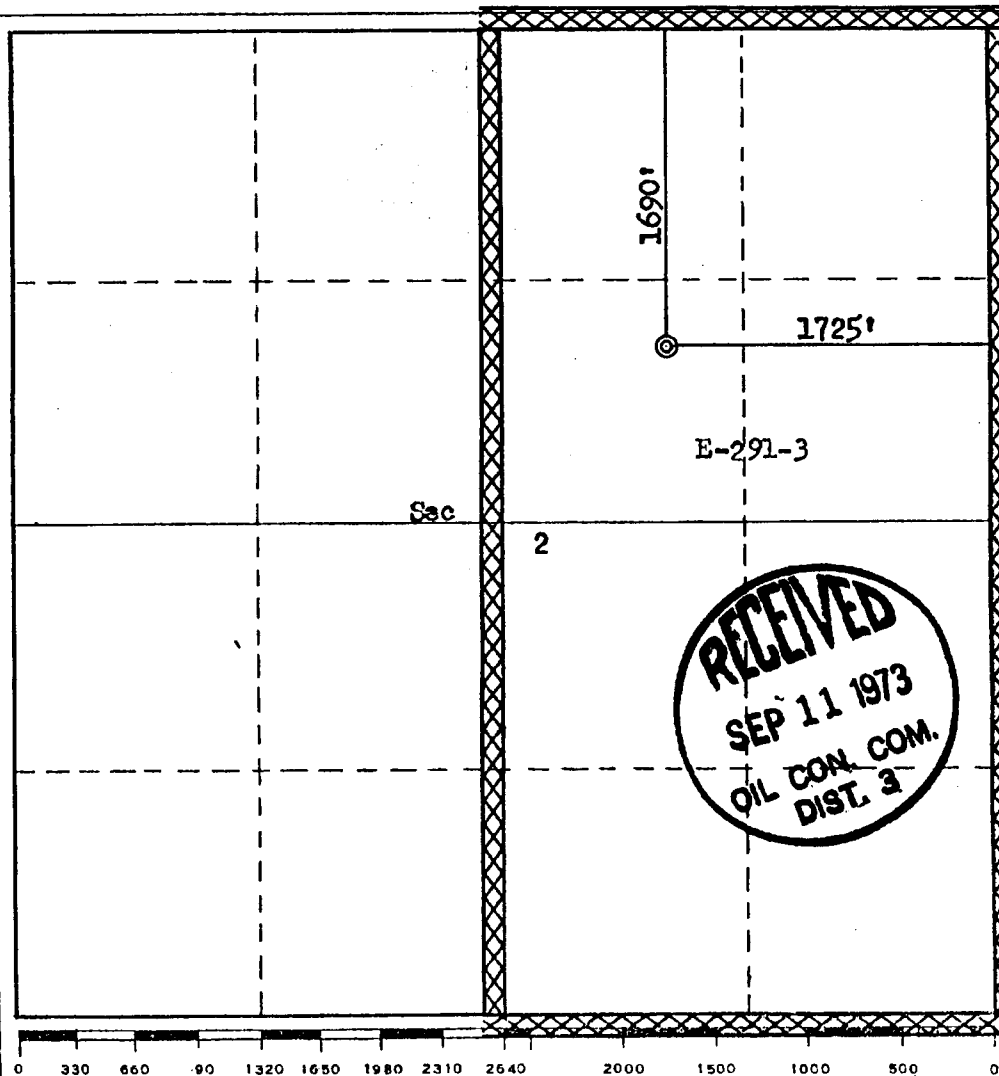
Operator El Paso Natural Gas Company			Lease Rincon Unit (E-291-3)		Well No. 201
Unit Letter G	Section 2	Township 26N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1690 feet from the North line and 1725 feet from the East line					
Ground Level Elev. 6661	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 320.76 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Original Signed by
D. G. Brisco

Name
Drilling Clerk
Position
El Paso Natural Gas Co.
Company
September 11, 1973
Date

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.

Date Surveyed
August 27, 1973
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Certificate No.
3950

LIST OF OPERATORS WITHIN THE PROPOSED PRE-APPROVED POOLS:

Elm Ridge Exploration:

Elm Ridge Exploration Co.
12225 Greenville Ave
Ste. 950
Dallas, TX 75243

Questar Exploration

Questar Exploration
QEP
Attn: Land Department
1050 17th Street Ste. 950
Denver, CO 80265

Dugan Production

Dugan Production Co.
709 E. Murray Dr.
Farmington, NM 87499

XTO Energy Inc.

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

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 10663
Order No. R-9893**

**APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA d/b/a UNOCAL FOR AN
ADMINISTRATIVE DOWNHOLE COMMINGLING
PROCEDURE WITHIN THE RINCON UNIT
AREA, RIO ARriba COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 4, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 18th day of May, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Union Oil Company of California, d/b/a Unocal, seeks the adoption of an administrative procedure for authorizing the downhole commingling of Blanco-Mesaverde, Largo-Gallup, or Undesignated Gallup Pool production with production from the Basin-Dakota Gas Pool within certain existing and subsequently drilled wells in its Rincon Unit Area, Rio Arriba County, New Mexico, without additional notice to each affected interest owner within the Unit Area.

(3) The Rincon Unit is a Federal exploratory unit initially comprising some 20,643 acres in portions of Townships 26 and 27 North and Ranges 6 and 7 West, NMPM, Rio Arriba County, New Mexico. The unit was formed in 1952 and is currently operated by Union Oil Company of California.

(14) Applicant's Exhibit No. 6 in this case is a list of one hundred and twenty (120) royalty and overriding royalty interest owners in the Dakota, Gallup and Mesaverde Participating Areas within the Rincon Unit. All such royalty and overriding royalty interest owners, as well as working interest owners, were notified of the application in this case.

(15) Rule No. 303(C) of the Division Rules and Regulations provides that administrative approval for downhole commingling may be granted provided that the interest ownership, including working, royalty and overriding royalty interest, is common among the commingled zones.

(16) Applicant's proposed administrative procedure would provide for Division approval to downhole commingle wells in the Rincon Unit Area without hearing, and without the requirement that each interest owner in the Dakota, Mesaverde and/or Gallup Participating Areas be notified of such commingling.

(17) The downhole commingling of wells within the Rincon Unit Area will benefit working, royalty and overriding royalty interest owners. In addition, the downhole commingling of wells within the Rincon Unit Area should not violate the correlative rights of any interest owner.

(18) The evidence in this case indicates that notice to each interest owner within the Dakota, Mesaverde and/or Gallup Participating Areas of subsequent downhole comminglings within the Rincon Unit is unnecessary and is an excessive burden on the applicant.

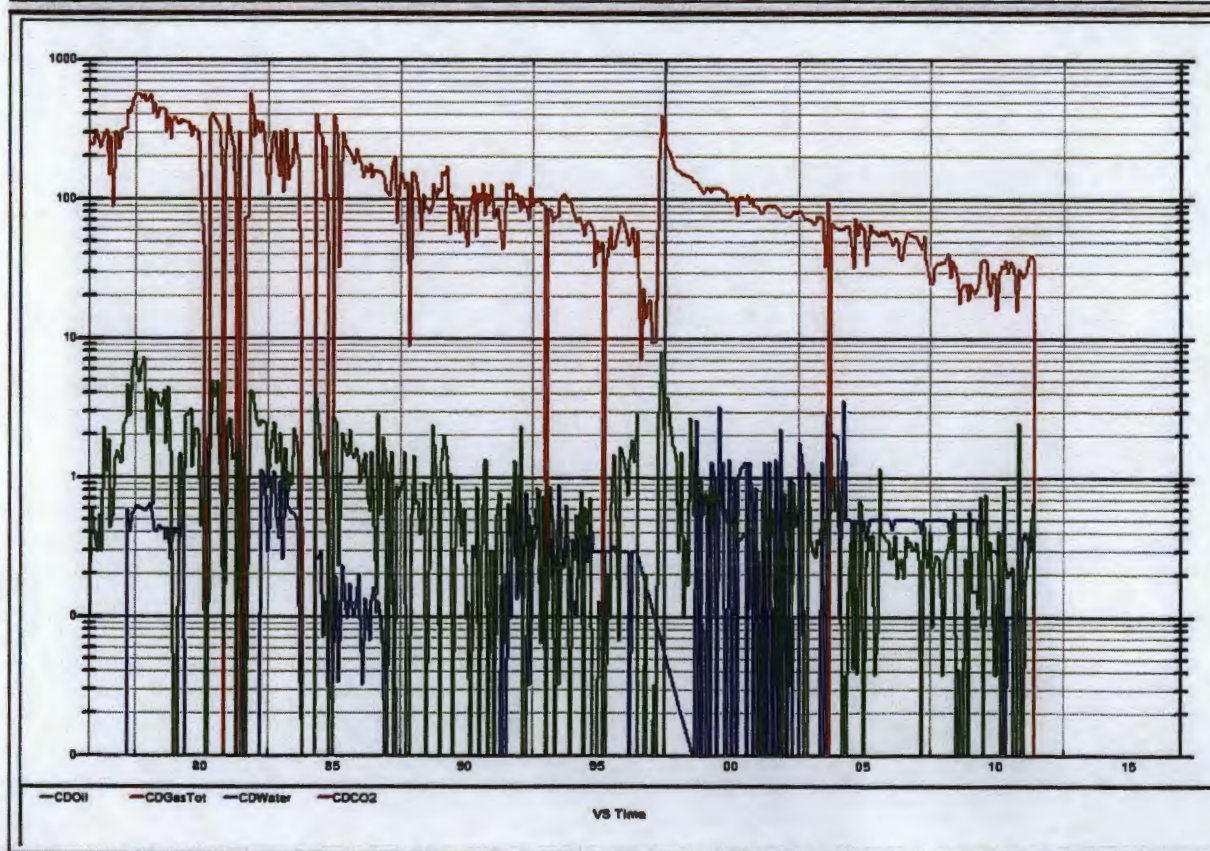
(19) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(20) An administrative procedure should be established within the Rincon Unit for obtaining approval for subsequently downhole commingled wells without notice and hearing, provided however that, all provisions contained within Rule No. 303(C) of the Division Rules and Regulations, with the exception of Part 1 (b)(v), are fully complied with.

(21) The proposed administrative procedure for obtaining approval for downhole commingling will allow the applicant the opportunity to recover additional gas reserves from the Rincon Unit Area which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

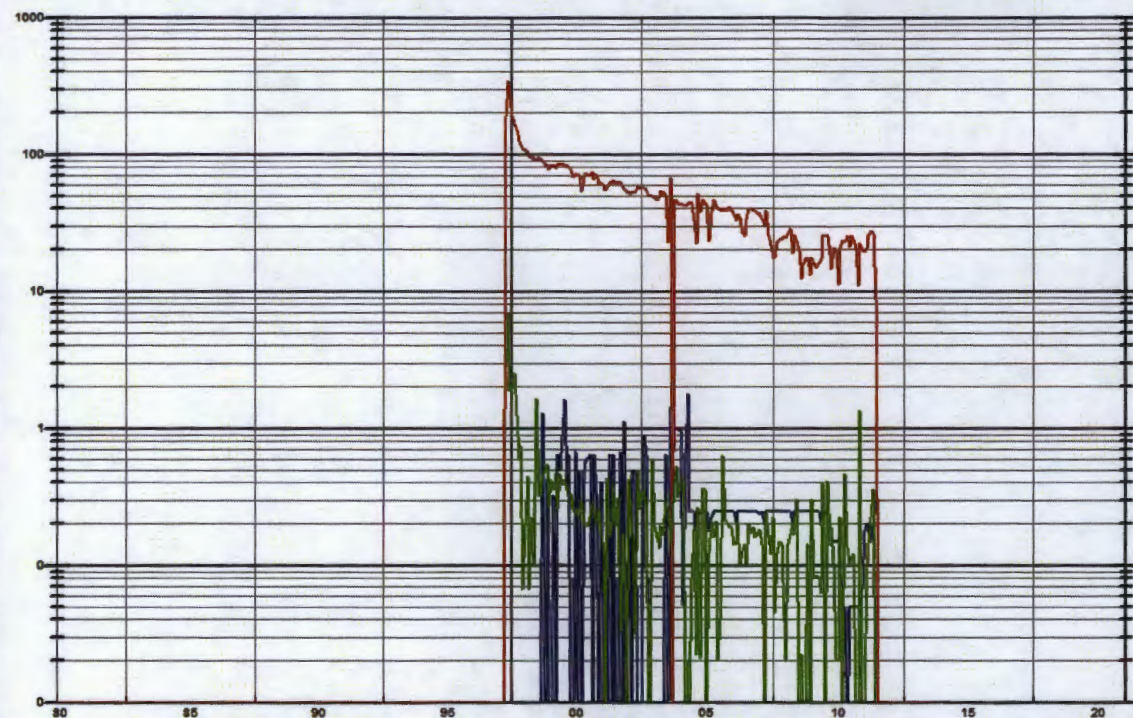
Name: RINU 201 MV ID: 300392077400 Type: Bore Format: [p] Comp - CDPProd vs Time

WELL_LABEL RINU 201 DK	FIELD_CODE UL5	PROD_METH FL	LASTOCUM:17.42945000
CHEVNO ER5674	FIELD_FLD-RINCON	CLASS_CODE GA	LASTGCUM:2188.04400000
SIDETRACK 0	LEASE-RINCON UNIT	SAP_CODE SCUL50000	CC_NM:RINCON UNIT DAKOTA PA
COMP_NUM 01	SEC-T-R-2 - N026 - W007	RES_CODE 0000005733	RES:DAKOTA



Name: RINU 201 MV ID: 30039207740002 Type: Completion Format: [p] Comp - CDProd vs Time

WELL_LABEL:RINU 201 MV	FIELD_CODE:ULS	PROD_METH:FL	LASTOCUM:1.62489000
CHEVNO:ER5574	FIELD:FLD-RINCON	CLASS_CODE:GA	LASTOCUM:273.47000000
SIDETRACK:0	LEASE:RINCON UNIT	SAP_CODE:9CULSM000	CC_NM:RINCON UNIT - MESA VERDE PA
COMP_NUM:02	SEC-T-R-2 - N020 - W007	RES_CODE:0000007899	RES:MESAVERDE



—CDOil —CDGasTot —CDWater —CDCO2

VS Time



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Paseo Street
Santa Fe, New Mexico 87505
(505) 827-7131

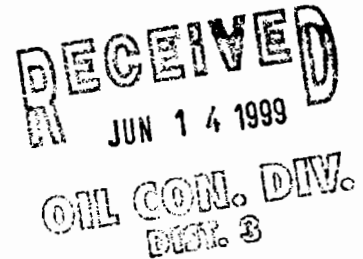
9

Union Oil Co.

Spirit Energy 76
1004 North Big Spring
Midland, Texas. 79702

Attention: Ms. Heather Dahlgren

ADMINISTRATIVE ORDER DHC-2355



*Rincon Unit No. 201
API No. 30-039-20774
Unit G, Section 2, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Dahlgren:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Production from the well shall be allocated as follows:

Oil and gas production from the Basin-Dakota Gas Pool shall be determined by utilizing the production forecast submitted as an attachment to the downhole commingling application. Oil and gas production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting Basin-Dakota Gas Pool production from the well's total monthly oil and gas production.

The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

Administrative Order DHC-2355

Spirit Energy 76

June 10, 1999

Page 2

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 10th day of June, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/MWA/kv

cc: Oil Conservation Division - Aztec /
Bureau of Land Management-Farmington
State Land Office-Oil & Gas Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
EQ-0291-0003

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Chevron Midcontinent L.P.

3a. Address
ATTN: Regulatory Specialist
332 Road 3100 Aztec New Mexico 87410

3b. Phone No. (include area code)
505-333-1941

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1680 FNL 1725 FEL 8WNE 02-28N-07W

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Rincon Unit 201

9. API Well No.
30-039-20774

10. Field and Pool or Exploratory Area
Largo Gallup (8000)

11. County or Parish, State
Rio Arriba County, NM

12. CHECK THE APPROPRIATE BOX(ES) 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"/> Alter 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 checked="" type="checkbox"/> Other DHC
	<input 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Chevron Midcontinent L.P. respectfully requests to downhole commingle production from the Largo Gallup gas pool with the existing Blanco Mesaverde and Basin Dakota production in the Rincon Unit 201 well. Currently this well is operating under DHC 2355.

Commingle of the zones should not reduce the total remaining production value of this well. Chevron Midcontinent L.P. plans to use the incremental allocation method to account for the additional production from the Largo Gallup.

Notice has been made to all offset operators with no dissenting opinion.

RCVD FEB 24 '14
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

April E. Pohl

Title Regulatory Specialist

Signature

April E. Pohl

Date

2/13/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title GEO

Date 2-20-14

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 to 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)

NMOCD PV



Rincon Unit 201
Rio Arriba County, New Mexico
PROPOSED WELL BORE DIAGRAM

API: 30-039-2077400
Legals: Sec. 2 T26N R7W
Field:

KB
KB Elev
GR Elev

Spud Date:
Compl Date:
Spacing

11/6/73

Formations
Pictured Cliffs
Cliffhouse
Mancos
Gallup
Greenhorn
Dakota

Surface Casing:
9 5/8" 32.3# H-40 csg @ 217
w/ 224 ft3

Tubing:
2 3/8" @ 7381 as of 1999

236 Jts 2-3/8" J-55, 4.7# (7402.53')
1 2-3/8" Seat Nipple (0.80')
1 Jt 2-3/8" J-55, 4.7# (31.41')
Tubing sup (0.70')
EOT 7435.44'

MESAVERDE: (added 1999)
5213, 5264-72, 5280-86, 5306, 5311-15
Frac w/ 39144 gal 25# Viking Gel
104000# 20/40 + 4900# Flex

PROPOSED RODS & PUMP

PROPOSED Gallup PERFS
6760'-6775'

DAKOTA: 7267, 7366, 7391, 7412, 7430, 7450 (6 holes with one shot per zc)
Frac w/ 60000# 40/60 & 84290 gal wtr

Production Casing:
4 1/2" 11.6 & 10.5 K-55 csg @ 7580'
w/ 1270 ft 3 float collar @ 7502' Stage Tools @ 5487'&3161'

TOC @ 1450'

according to temp survey

DV Tool @ 3161'

DV Tool @ 5487'

PBTD = 7562'

TD = 7580'

Prepared by:
Date: Jamie Elkington

Revised by:
Date:

Rincon 201 Procedure

Job Scope – Complete the Largo Gallup and Install Artificial Lift

Procedure

- MIRU workover rig
- MIRU BOP tester. Test BOP's.
- Spot and fill frac tanks
- ND wellhead.
- NU BOP's
- Tag for fill with workstring
- POOH with tubing
- Lay down tubing order out new or yellow band 2-3/8" to be used as production string
- PU workstring
- PU and RIH with bit and watermelon mill on workstring.
- CO to 7562'. Proposed perforations are 6760'-6775'
- POOH and lay down bit and watermelon mill
- MIRU wireline unit.
- PU and RIH with CBP on wireline
- Run CCL and set CBP @ ~ 6860' (100' below proposed perforations)
- Correlate to GR/CCL logs
- Perforate – proposed perforations 6760'-6775'
- RDMO wireline unit
- TIH with 2-7/8' frac liner and set from 5163'-5365'
- NU frac ma drel and install frac head or Y
- MIRU flow back equipment
- MIRU Frac company
- Frac
- RDMO frac equipment
- Flow well back for 24 hrs or until well dies
- MIRU slick line
- PU and RIH with pressure bombs on slick line for 24 hr test.
- SI well for 24hrs
- TIH with workstring and release frac liner
- POOH with frac liner
- MIRU air/foam unit for cleanout
- Clean out to CBP, drill out CBP and attempt to cleanout to PBTD of 7562'
- If scale is present during cleanout out consider an acid treatment
- POOH with workstring
- RIH with production tubing and BHA

- ND BOP and NU wellhead
- Rig up Rig up Baker and pump ½ drum of corrosion inhibitor down the tubing and ½ drum of corrosion inhibitor down the casing chase each with 5 bbls of water.
- RIH with pump on rod string
- Space out pump
- Seat pump, load tubing and test
- RDMO workover rig and clean location
- Install pumping unit
- Turn well over to production