

DATE <u>8/9/12</u>	SUSPENSE	ENGINEER <u>W Jones</u>	LOGGED IN <u>8/10/12</u>	TYPE <u>DHC</u>	APP NO. <u>PUNK1222345458</u>
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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



4589
Chevron Midcontinent
LP
Rincon Unit #135E

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 _____

[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.

Ray Hosford
 Print or Type Name

Ray Hosford
 Signature

NM Production Team Lead 8/7/12
 Title Date

ray.hosford@chevron.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 87401

District II
1101 W. Grand Avenue, Artesia, NM 87001

District III
1000 Rio Brazos Road, Artesia, NM 87001

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Chevron Midcontinent, L.P. Attn: Regulatory Specialist 332 Road 3100, Aztec, NM 87410 Address Amended DHC-4589

Lease RINCON Well No. 135 E Unit Letter-Section-Township-Range D 29 T27N R06W County Rio Arriba

OGRID No. 241333 Property Code 302737 API No. 30-039-25225 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	Blanco Mesaverde	Basin Dakota
Pool Code	82329	48450	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Perfed Interval 4080'-4096' (TVD)	Estimated gross interval to be perfed 4857'-5375' (TVD)	Perfed Interval 7338'-7554' (TVD)
Method of Production (Flowing or Artificial Lift)	Artificial Lift (Plunger Lifting)	Artificial Lift (Proposed Plunger Lifting)	Artificial Lift (Plunger Lifting)
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)	~250 psi	Not required as within 150% ~300 psi	~269 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1181 (DHC 582)	~1269 offset	1181 (DHC 582)
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: spud 10/1992 Rates: 0 BO/ 4 MCF / 0 BW	Date: est. recompleted 11/2012 Est. Rates: 0.5 BO / 120 MCF / 0.5 BW	Date: spud 10/1992 Rates: 0.1 BO/ 60 MCF / 0.1BW
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 0 % 2 %	Oil Gas 83 % 65 %	Oil Gas 17 % 33 %

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.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- 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 April E Pohl TITLE Regulatory Specialist DATE 10/15/12

TYPE OR PRINT NAME April E. Pohl TELEPHONE NO. (505) 333-1941

E-MAIL ADDRESS April.Pohl@chevron.com

Rincon 135E Supplemental Data for C-107A

Well History

This well was drilled in 1992 and completed in the Dakota and Chacra formations. Chevron Midcontinent, L.P proposes to add a Mesaverde completion and seeks approval to downhole tri-mingle with the Dakota and Chacra. 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 60 mcf/d from the Dakota with very little oil and water and 4 mcf/d from the Chacra without any fluid. Cumulatively, these two zones produce 64 mcf/d and less than 0.3 bbl/day of fluids. 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 and Chacra 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 tri-mingle with plunger lift will ensure the best way to recover marginal remaining reserves in the life of the Rincon 135E well. By doing so, this would protect the correlative rights and eliminate waste.

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 30-039-25225	² Pool Code 48450	³ Pool Name Blanco Mesaverde
⁴ Property Code 302737	⁵ Property Name Rincon	
⁷ OGRID No. 241333	⁸ Operator Name Chevron Midcontinent L.P.	⁶ Well Number #135 E ⁹ Elevation GL 6583'

¹⁰ Surface Location

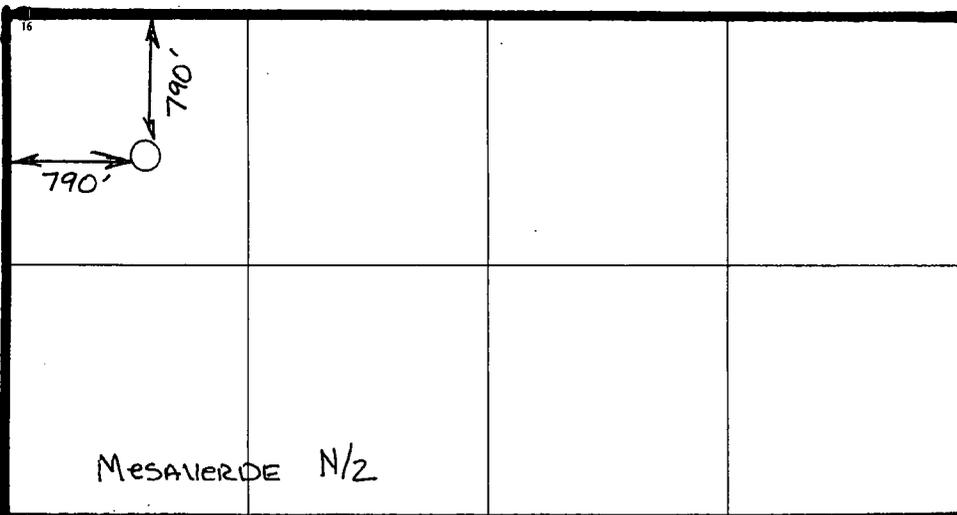
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	27N	6W		790	North	790	West	Rio Arriba

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



¹⁷ OPERATOR CERTIFICATION
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.

Signature: James D. Micikas Date: 8-3-12
Printed Name: James D. Micikas
E-mail Address: MicikJd@chevron.com

¹⁸ SURVEYOR CERTIFICATION
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.

Date of Survey: _____
Signature and Seal of Professional Surveyor: _____
Certificate Number: _____

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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

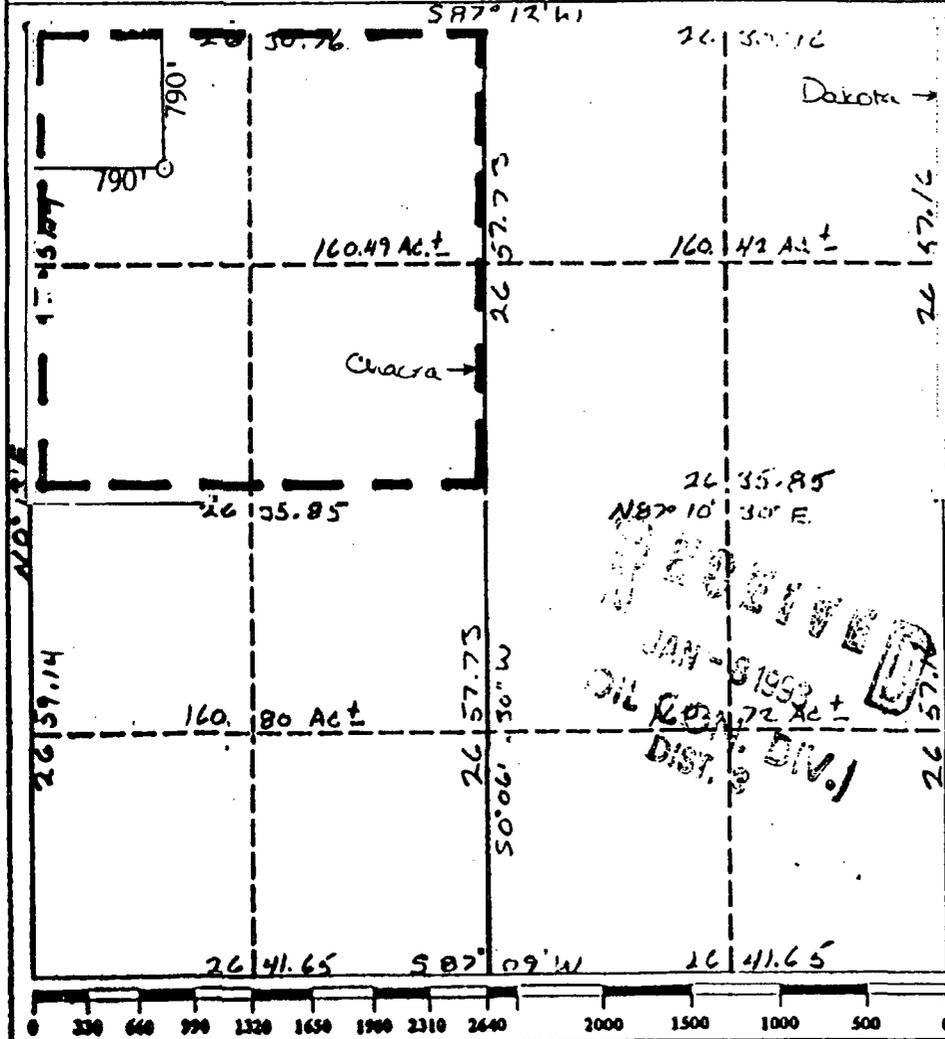
DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

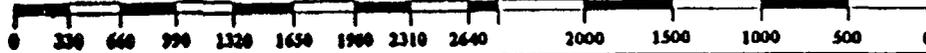
Operator UNOCAL			Lease RINCON		Well No 135E
Unit Letter D	Section 29	Township 27 North	Range 6 West	County NM PM Rio Arriba	
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the West line					
Ground level Elev. 6583	Producing Formation Chacra / Dakota		Pool Otero Chacra / Basin Dakota		Dedicated Acreage: 160/320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>W.L. Irwin</i>
Printed Name	W.L. Irwin
Position	District Petroleum Engineer
Company	Union Oil Company of California
Date	12/14/92
SURVEYOR CERTIFICATION	
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	July 22, 1992
Signature & Seal	<i>Cecil B. Tullis</i>
Professional Surveyor	CECIL B. TULLIS
Certificate No.	9672

RECORDED
JAN - 9 1993
OIL & GAS DIV.



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

State of New Mexico
 Energy, Minerals and Natural Resources Department

RECEIVED
 SEP 10 1992
 OIL CON. DIV.
 DIST. 3

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator UNOCAL		Lease RINCON		Well No. 135E
Unit Letter D	Section 29	Township 27 North	Range 6 West	County NMPM
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the West line				
Ground level Elev. 6583	Producing Formation Gallup/Dakota		Pool Undesignated/Basin	
			Dedicated Acreage: 160.49 Acres	

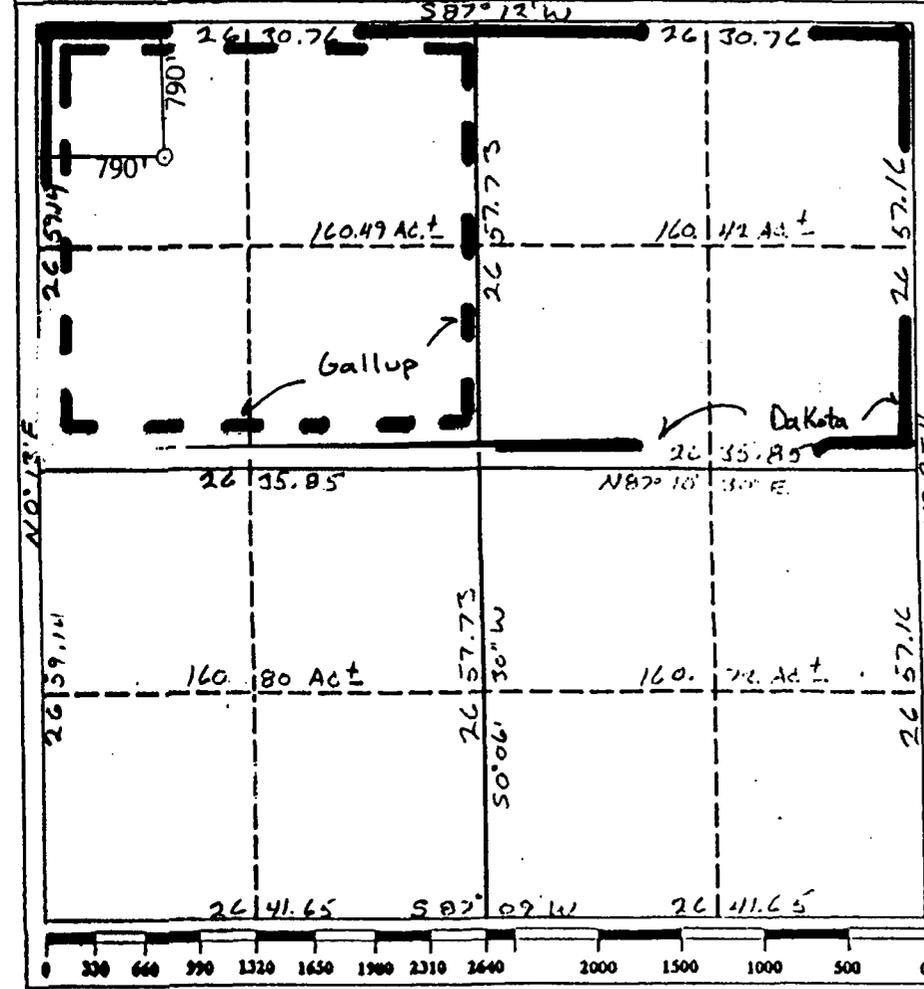
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

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 interest 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 interest, has been approved by the Division.



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

Signature: Robert C. Frank

Printed Name: **Robert C. Frank**

Position: **Agent**

Company: **Union Oil Company of California**

Date: **August 4, 1992**

SURVEYOR CERTIFICATION
 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: **July 22, 1992**

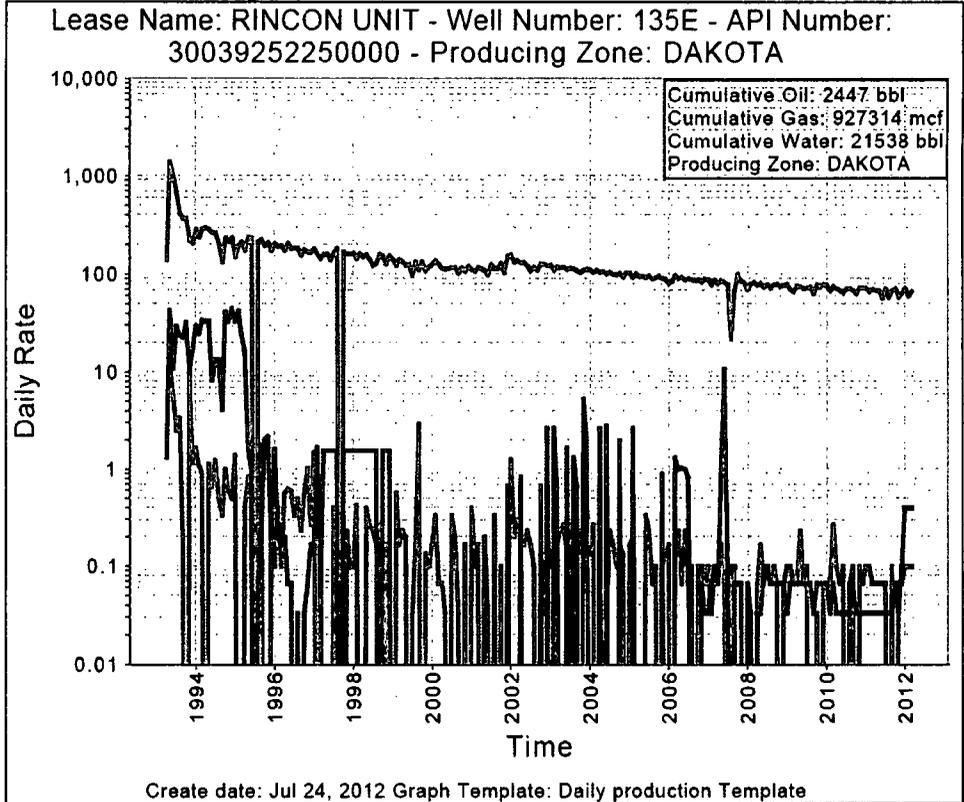
Signature: Cecil B. Tullis

Professional Seal: **Cecil B. Tullis, Registered Professional Land Surveyor, No. 9672**

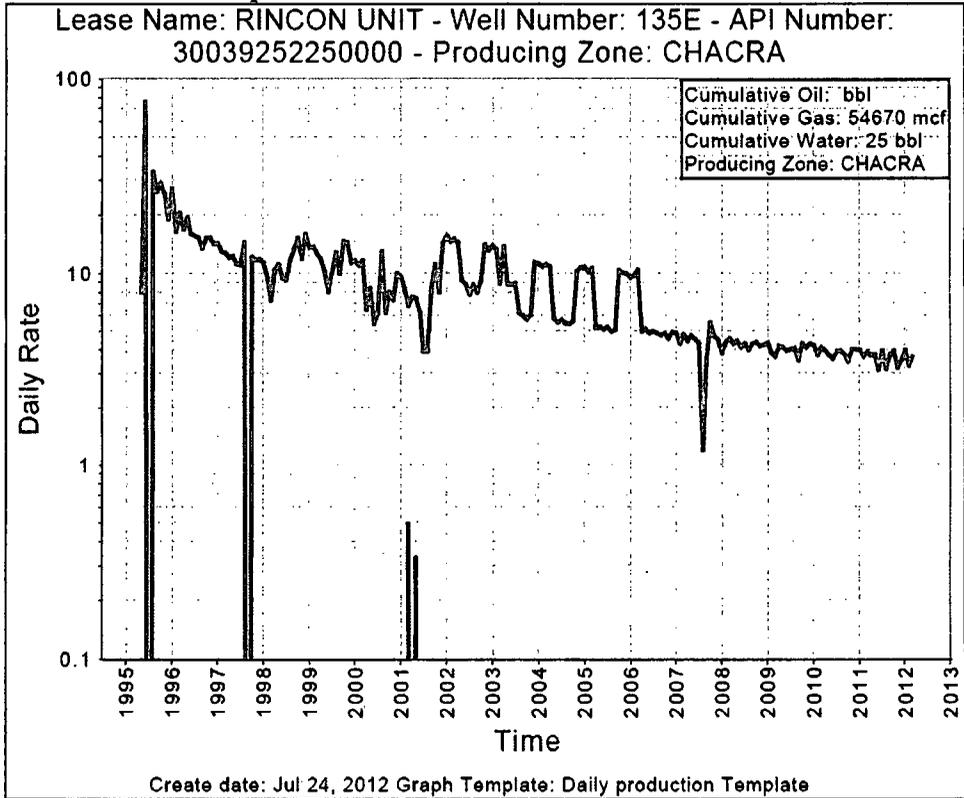
Certificate No.: **9672**

Exhibit I

Historical Dakota production rates:



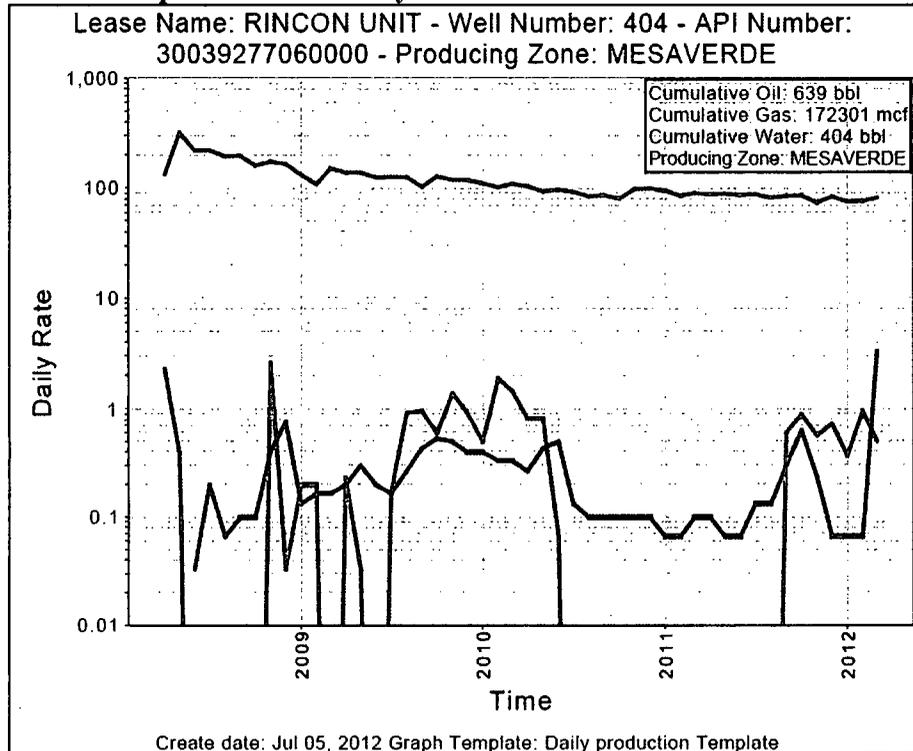
Historical Chacra production rates:



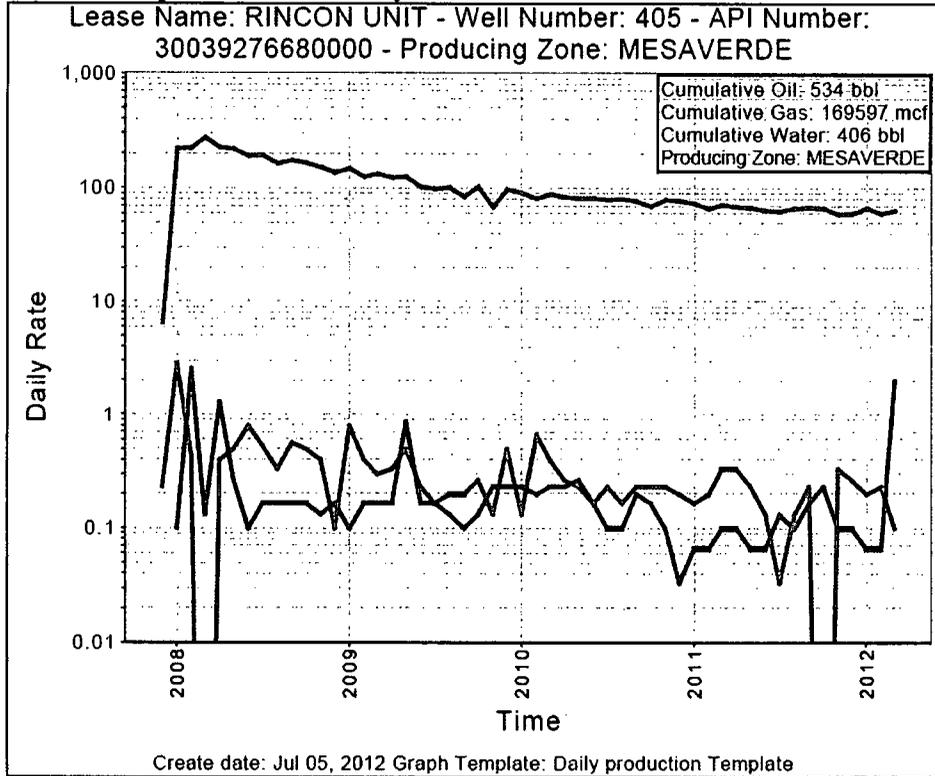
Offset Mesaverde Well Production - justification for Rincon 135E Mesaverde recompletion.

Well #	API	Spud	Mesaverde IP (mcf/d)	Mesaverde Stabilize Rate (mcf/d)	Current Mesaverde Rate (mcf/d)
Rincon 404	300392770600	1/6/2008	300	200	80
Rincon 405	300392766800	9/18/2007	210	200	70
Rincon 407	300392774200	9/2/2007	300	160	80
Rincon 408	300392779600	10/15/2007	400	200	75
Rincon 412	300392780300	10/31/2007	300	120	50
Rincon 413	300392782400	12/5/2007	300	210	90
Rincon 419	300392779700	10/1/2007	120	80	40
Rincon 503	300392969100	11/17/2007	220	120	50
Rincon 505	300392965000	12/21/2007	280	150	50
Average			270	160	65

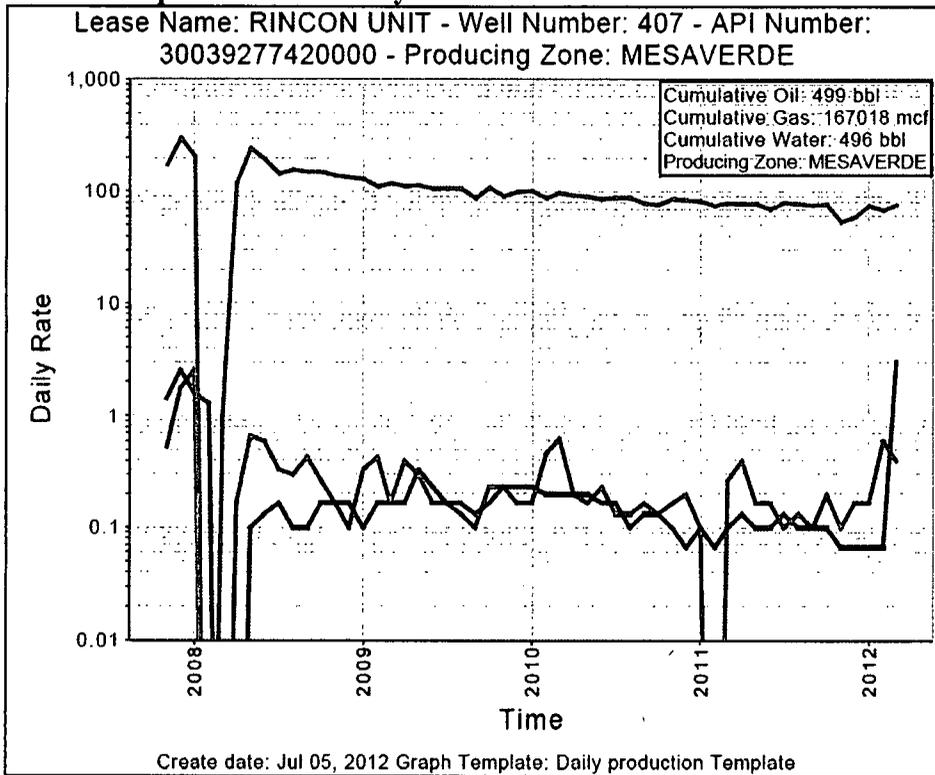
Mesaverde production history on Rincon 404:



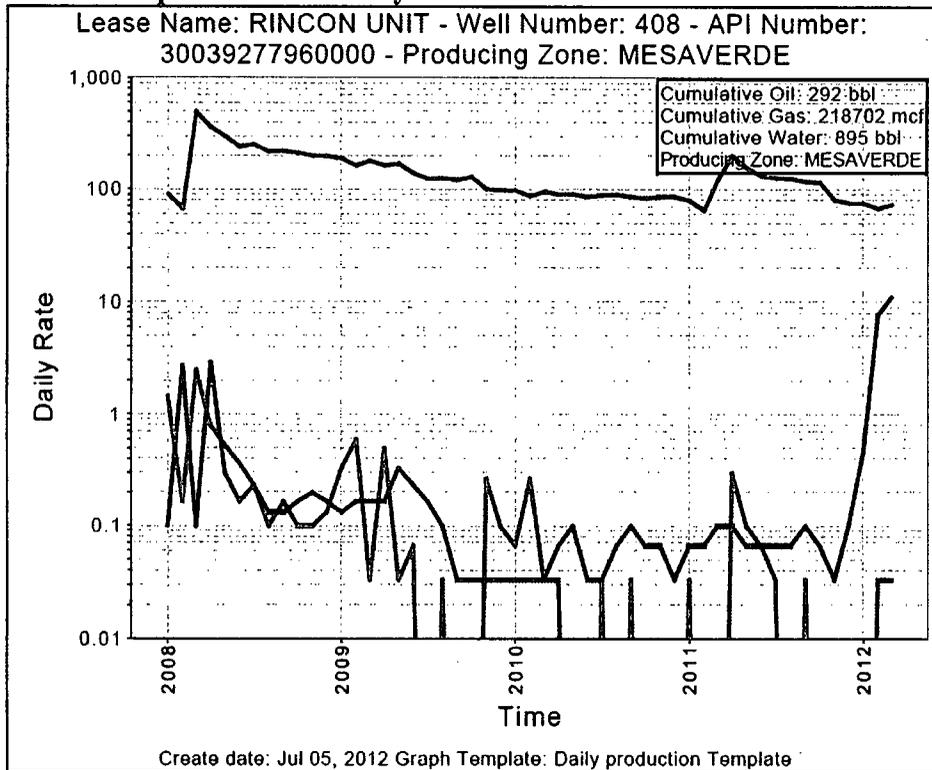
Mesaverde production history on Rincon 405:



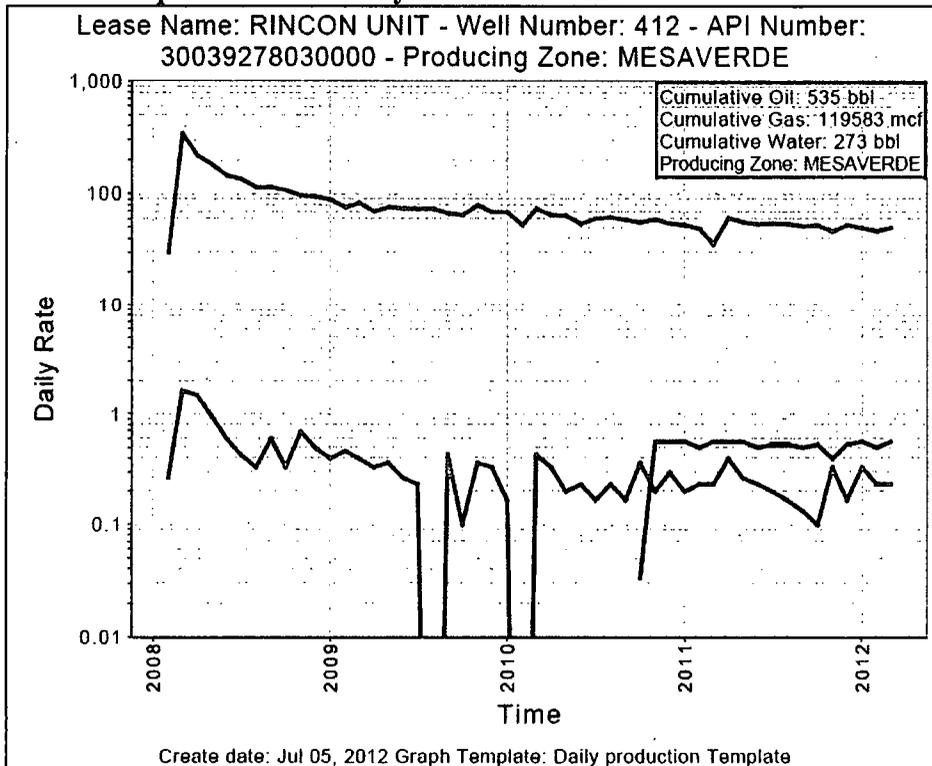
Mesaverde production history on Rincon 407:



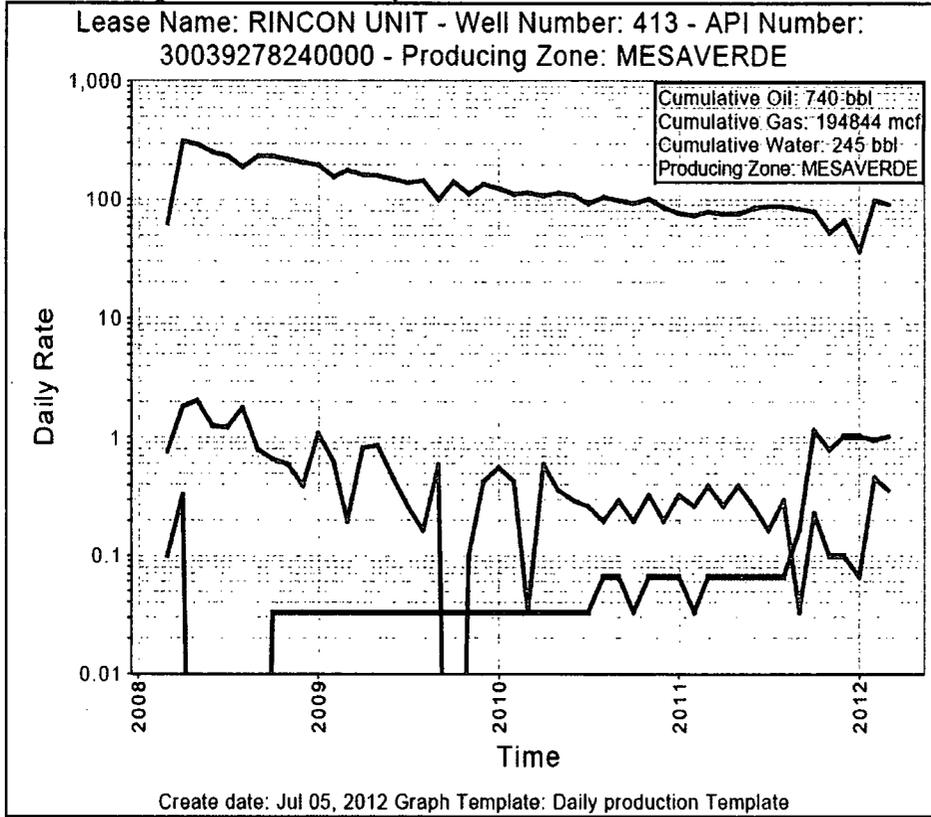
Mesaverde production history on Rincon 408:



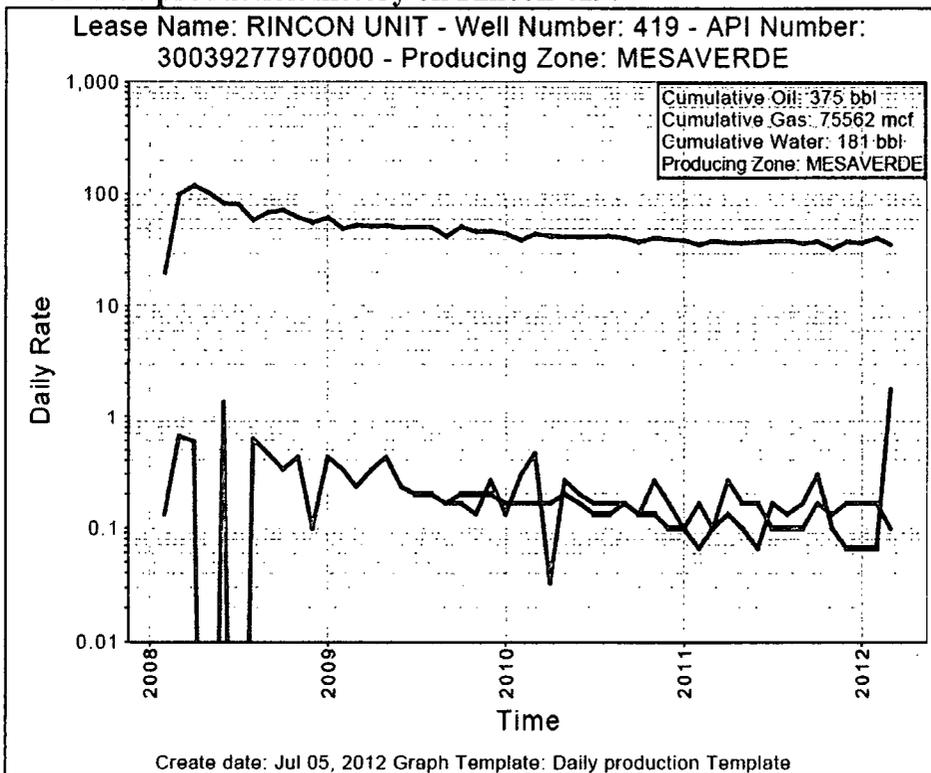
Mesaverde production history on Rincon 412:



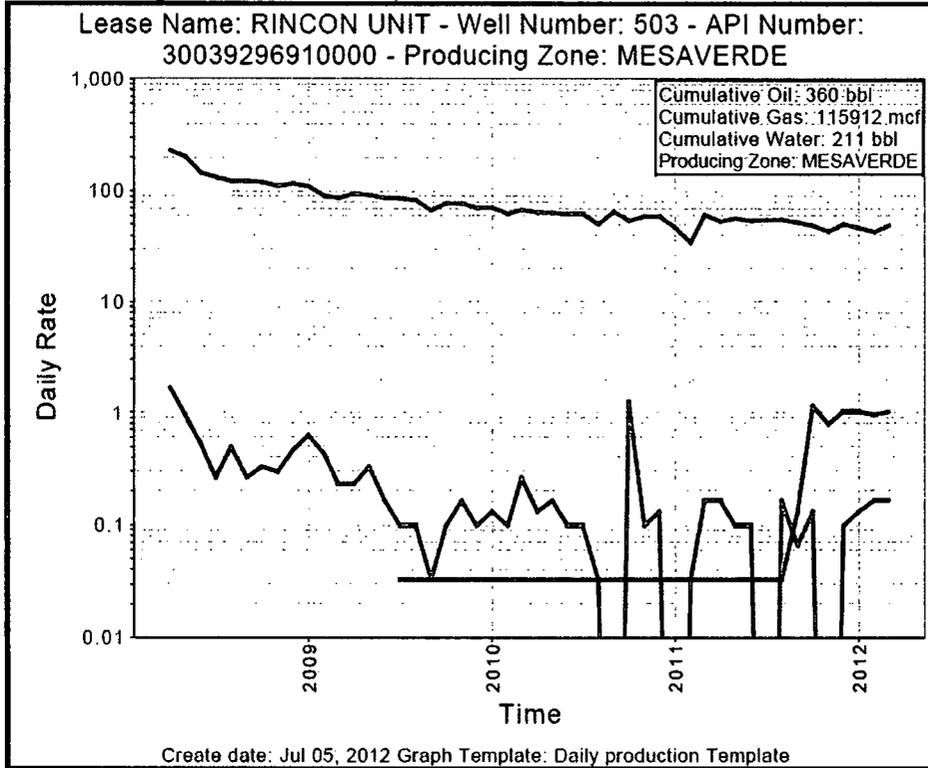
Mesaverde production history on Rincon 413:



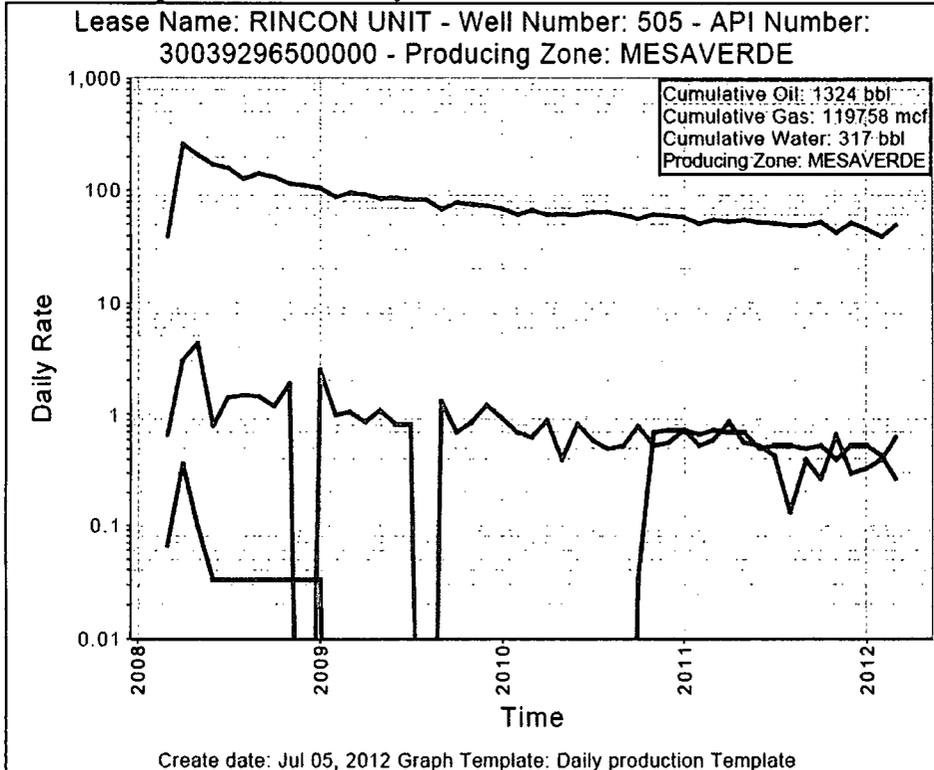
Mesaverde production history on Rincon 419:



Mesaverde production history on Rincon 503:



Mesaverde production history on Rincon 505:



District I
1625 N French Dr, Hobbs, NM 88240
District II
811 S First St, Artesia, NM 88210
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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
Revised August 1, 2011

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

10222

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 # 24133
Address ATTN: Regulatory Specialist 332 Road 3100 Aztec, New Mexico 87410
Facility or well name. Rincon 135E
API Number 30-039-25225 OCD Permit Number. _____
U/L or Qtr/Qtr D Section 29 Township 27N Range 6W County Rio Arriba
Center of Proposed Design Latitude 36 5497881107223 Longitude -107 497121680908 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 Perforate, frac MV formation for DHC 582

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 16 8 NMAC

RCVD JUN 22 '12
OIL CONS. DIV.
DIST. 3

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-07-0011
Disposal Facility Name: Basin Disposal (liquids) Disposal Facility Permit Number NM-1-005
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) April E Pohl Title Regulatory Specialist
Signature: April E Pohl Date: 06-21-2012
e-mail address April.Pohl@chevron.com Telephone: 505-333-1941

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

OCD Representative Signature: Jonathan D. Kelly Approval Date: 6/27/2012

Title: Compliance Officer 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 indentify 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 from workover rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from the 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 at Basin Disposal (Disposal Permit # NM-1-005). 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 cuttings used or generated by workover rig operations will be placed or stored in the tank.
3. The NMOC 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 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 at Basin Disposal (Disposal Permit # NM-1-005). 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 workover project.



April E. Pohl
Regulatory Specialist
Midcontinent Business Unit

**Chevron North America
Exploration and Production Company**
(A Chevron U.S.A. Inc. Division)
332 Road 3100
Aztec, New Mexico 87410
Tel: 505-333-1941
Fax: 505-334-7134
April.Pohl@chevron.com

RECEIVED OCD

2012 AUG -9 P 12: 35

VIA CERTIFIED MAIL

August 7, 2012

Richard Ezeanyim
Engineering and Geological Services Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: DOWNHOLE COMMINGLE REQUEST FOR TRI-MINGLE AT RINCON #135E API 30-039-25225

Dear Mr. Ezeanyim,

This letter serves as notification of application of a downhole commingle (DHC) for a proposed tri-mingle at the Rincon #135E (UL D, Sec 29, Twnshp 27N, Rng 6W, Rio Arriba County, New Mexico). The Rincon #135E currently is being produced under Down Hole Commingle - DHC 582. Chevron proposes to add another zone.

The listed well is on a lease operated by Chevron Midcontinent L.P. The project is anticipated to occur and be completed during October, 2012.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact me at (505) 333-1941.

Respectfully submitted,

April E. Pohl
Regulatory Specialist
Midcontinent Business Unit
32 Road 3100
Aztec, New Mexico 87410

Attachments: Copy of 3160-5 Sundry Notice of Intent
C107-A DHC application
Three C102 plats of well acreage and dedication for each zone.
Production reports for the two currently producing zones.
Proposed recompletion wellbore schematic
Closed Loop System Permit approved 6/22/12



April E. Pohl
Regulatory Specialist
Midcontinent Business Unit

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332 Road 3100
Aztec, New Mexico 87410
Tel: 505-333-1941
Fax: 505-334-7134
April.Pohl@chevron.com

VIA HAND DELIVERY

August 7, 2012

James Lovato
Bureau of Land Management
6251 College Blvd, Ste A
Farmington, New Mexico 87402

RE: DOWNHOLE COMMINGLE REQUEST FOR TRI-MINGLE AT RINCON #135E API 30-039-25225

Dear Mr. Lovato,

This letter serves as notification of application of a downhole commingle (DHC) for a proposed tri-mingle at the Rincon #135E (UL D, Sec 29, Twnshp 27N, Rng 6W, Rio Arriba County, New Mexico). The Rincon #135E currently is being produced under Down Hole Commingle - DHC 582. Chevron proposes to add another zone.

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Respectfully submitted,

April E. Pohl
Regulatory Specialist
Midcontinent Business Unit
32 Road 3100
Aztec, New Mexico 87410

RECEIVED

AUG 07 2012

Farmington Field Office
Bureau of Land Management

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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.
NMNM78406D/NMNMF079364

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Chevron Midcontinent L.P.		8. Well Name and No. Rincon #135E
3a. Address Attn: Regulatory Specialist 332 Road 3100 Aztec, NM 87410	3b. Phone No. (include area code) 505-333-1941	9. API Well No. 30-39-25225
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 790 FNL 790 FWL Sec 29 Twp 27N Rng 6W		10. Field and Pool or Exploratory Area Basin Dakota/Otero Chacra
		11. County or Parish, State Rio Arriba, New Mexico

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 checked="" 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 <u>Apply for second</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>DHC permit to add a</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>third zone</u>

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 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 recompleat 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 respectfully submits this notification regarding the application for a downhole trimming for the Rincon #108E. Currently this well produces under Down Hole Commingle (DHC) 582.

The DHC form C107A is being sent to the Santa Fe office of the New Mexico Oil Conservation Division as of this date. Please see attached copy with associated documentation.

Once the DHC is granted another 3160-5 Notice of Intent shall be filed prior to beginning the project, which is scheduled to begin in October 2012.

RECEIVED

AUG 07 2012

**Farmington Field Office
Bureau of Land Management**

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 *8/7/2012*

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, August 23, 2012 2:59 PM
To: 'april.pohl@chevron.com'
Subject: FW: Downhole commingle applications

From: Jones, William V., EMNRD
Sent: Thursday, August 23, 2012 2:57 PM
To: 'april.pohl@chevron.com'
Subject: Downhole commingle applications

Hello April,
Hope your day is going well.

Would you please ask your engineer(s) to give you an estimated shutin reservoir pressure within the following wells for each Pool completed or to be completed in that well. (We are not asking for a flowing or producing BHP):

	Chacra	Mesaverde	Dakota
Rincon #108E	_____	_____	_____
Rincon #135E	_____	_____	_____

This pressure information is required for the C-107A forms you sent asking to downhole commingle these wells. Per the OCD Rules, if the gradient (pressure divided by top depth) is over 0.65, then we will need some more justification to allow commingling.

In addition, the forms sent did not have the gas heating value for each Pool – you could estimate this for Pools not yet perforated.

I will hold the applications pending this pressure and heating value information.

PS: Within the Rincon #180 well, you are asking to only commingle the Mesaverde and Dakota – this permit should be issued by the Aztec OCD office. I have forwarded your application to that office.

Thank You,

William V. Jones, P.E.
505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505