DATE IN 8/9/12	SUSPENSE	ENGINEER W Jones	LOGGED IN 8/10/12	TYPE DHC	APP NO. PUNK1222345864

ABOVE THIS LINE FOR DIVISION USE ONLY 4588

Chevron Midcontinent LP
Rincon Unit #108E

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 _____

[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	Ray Hosford	NM Production Team Lead	8/7/12
Print or Type Name	Signature	Title	Date

ray.hosford@chevron.com
e-mail Address

District I
1625 N. French Drive, 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, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
__X_Single Well
___Establish Pre-Approved Pools
EXISTING WELLBORE
___X_ Yes __No

Amended DHC-4588

___ Chevron Midcontinent, L.P. _____Attn: Regulatory Specialist ___332 Road 3100, Aztec, NM 87410 _____
Operator Address

_RINCON_____108 E_____O 19___T27N___R06W_____Rio Arriba ____
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No._241333_ Property Code__302737 API No.__30-039-25222_____ Lease Type: __X__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 4052'-4074' (TVD)	Estimated gross interval to be perfed 4750'-5382' (TVD)	Perfed Interval 7320'-7604' (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)	~275 psi	Not required as within 150% ~300 psi	~290 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1141 (DHC 584)	~1269 offset	1141 (DHC 584)
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/ 3 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/ 65 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 0 % Gas 1 %	Oil 83 % Gas 64 %	Oil 17 % Gas 35 %

ADDITIONAL DATA

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

Will commingling decrease the value of production? Yes_____ No__X__

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__X__ 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

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

VIA CERTFIED 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 #108E API 30-039-25222

Dear Mr. Ezeanyim,

This letter serves as notification of application of a downhole commingle (DHC) for a proposed tri-mingle at the Rincon #108E (UL O, Sec 19, Twnshp 27N, Rng 6W, Rio Arriba County, New Mexico). The Rincon #108E currently is being produced under Down Hole Commingle (DHC)584. 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

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

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

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 #108E API 30-039-25222

Dear Mr. Lovato,

This letter serves as notification of application of a downhole commingle (DHC) for a proposed tri-mingle at the Rincon #108E (UL O, Sec 19, Twnshp 27N, Rng 6W, Rio Arriba County, New Mexico). The Rincon #108E currently is being produced under Down Hole Commingle (DHC)584. 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

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

Attachments: 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

Form 3160-5
(March 2012)

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.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5. Lease Serial No.
NMNM78406D/NMSF079366

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Rincon #108E

2. Name of Operator
Chevron Midcontinent

9. API Well No.
30-039-25222

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

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

10. Field and Pool or Exploratory Area
Basin Dakota / Otero Chacra

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1180 FSL 1805 FEL 19-27N-06W

11. County or Parish, State
Rio Arriba

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Apply for second DHC permit to add a third zone
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 respectfully submits this notification regarding the application for a downhole trimingle for the Rincon #108E. Currently this well produces under Down Hole Commingle (DHC) 584.

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.

(Instructions on page 2)

Rincon 108E 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 65 mcfd from the Dakota with very little oil and water and 3 mcfd from the Chacra without any fluid. Cumulatively, these two zones produce 68 mcfd and less than 0.3 bbl/day of fluids. An estimated stabilize rate for the Mesaverde completion is 120 mcfd 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 108E 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	[2] Pool Code	[3] Pool Name
30-039-25222	48460	Blanco Mesaverde

[4] Property Code	[5] Property Name	[6] Well Number
302737	Rincon	#108E

[7] OGRID No.	[8] Operator Name	[9] Elevation
241333	Chevron Midcontinent L.P.	GL 6560'

[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
O	19	27N	6W		1180	FSL	1805	FEL	Rio Arriba

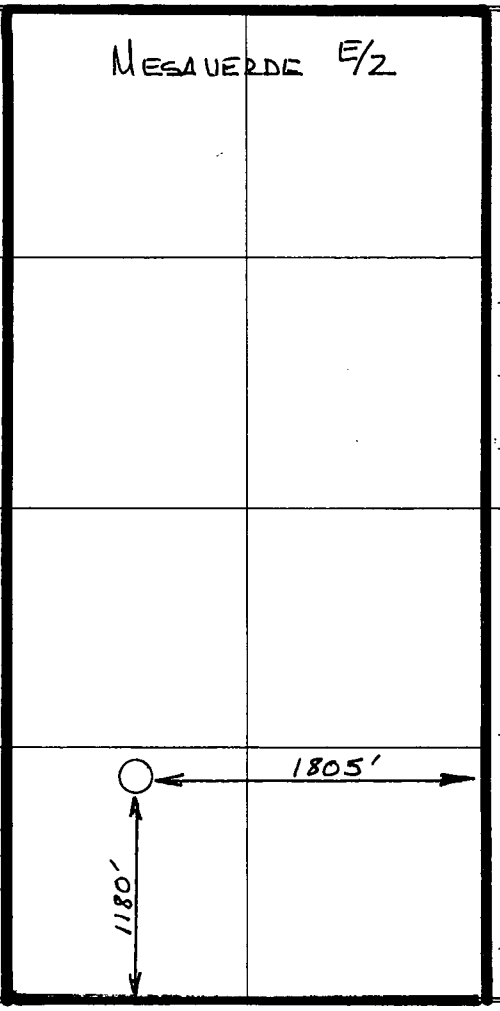
[11] Bottom Hole Location If Different From Surface

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.

[16]



[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.

James D. Micikas 8-3-12
Signature Date

James D. Micikas
Printed Name

micikjd@chevron.com
E-mail Address

[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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

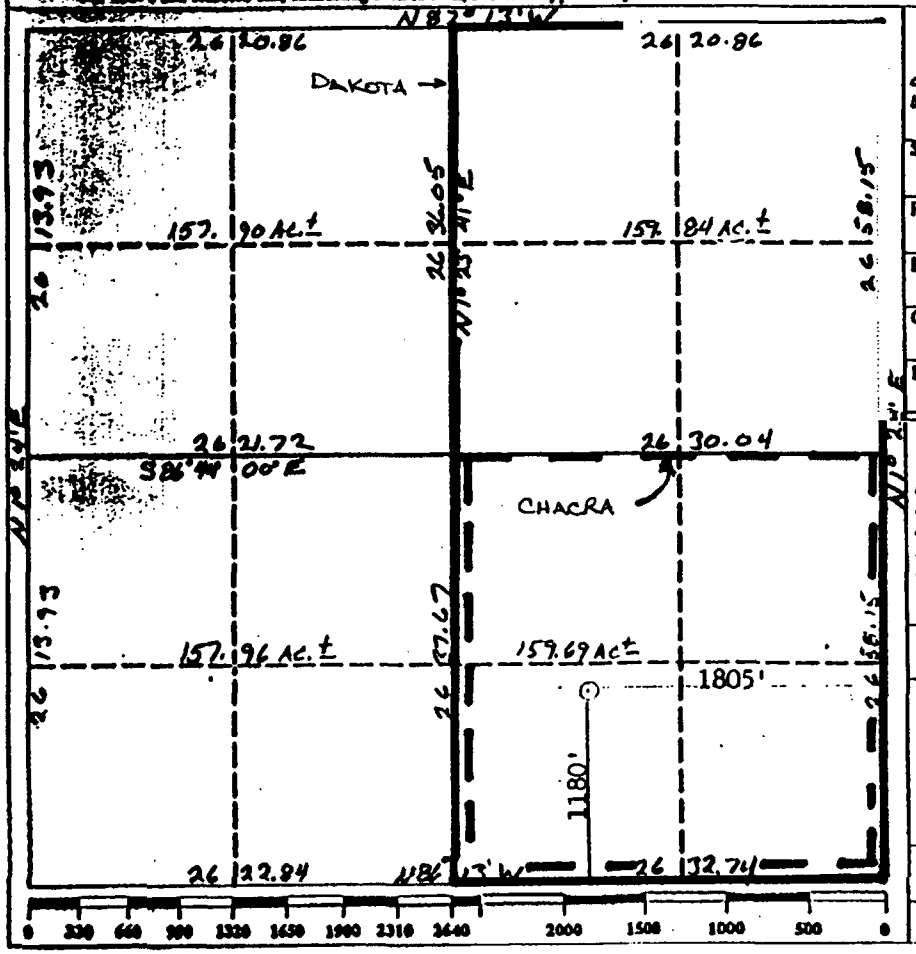
Operator	Lease	Well No.
UNOCAL	RINCON	108 E

Unit Letter	Section	Township	Range	County
O	19	27 North	6 West NMPM	Rio Arriba

Actual Footage Location of Well:
1180 feet from the South line and 1805 feet from the East line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
6560	Chacra / Dakota	Otero Chacra / Basin Dakota	160/320 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
   [X] 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.)
4. 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

Printed Name: W.L. Irwin

Position: District Petroleum Eng.

Company: Union Oil Company of Cal.

Date: 11/19/92

RECEIVED
92 NOV 20 AM 11:48
BLM
FARMINGTON, N.M.

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: July 21, 1992

Signature & Seal of Professional Surveyor

CECIL B. TALLIS
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
9672

Cecil B. Tallis

Certificate No. 9672

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

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
UNOCAL	RINCON	208 E

Unit Letter	Section	Township	Range	County
	19	27 North	6 West NMPM	Rio Arriba

Actual Footage Location of Well:
1180 feet from the South line and 1805 feet from the East line

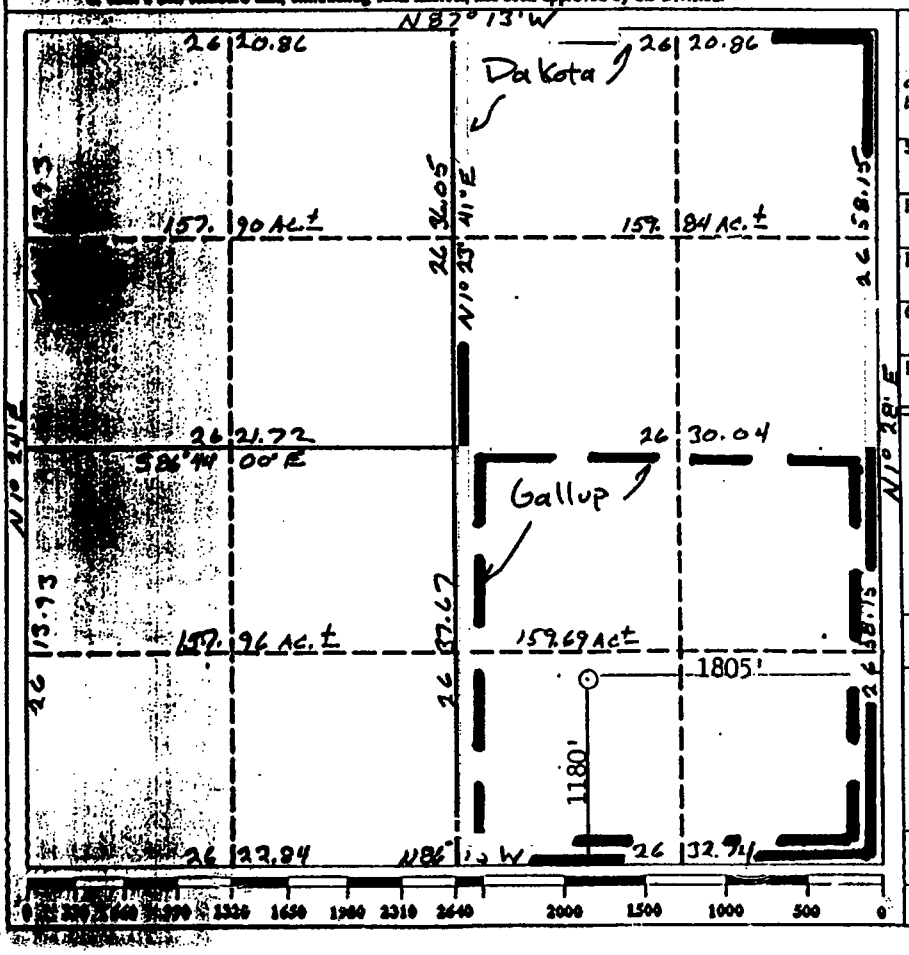
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6560	Gallup / Dakota	~~Undesignated~~/Basin	SE/4 159.69 Acres E/2 319.32 Acres

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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

[X] 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

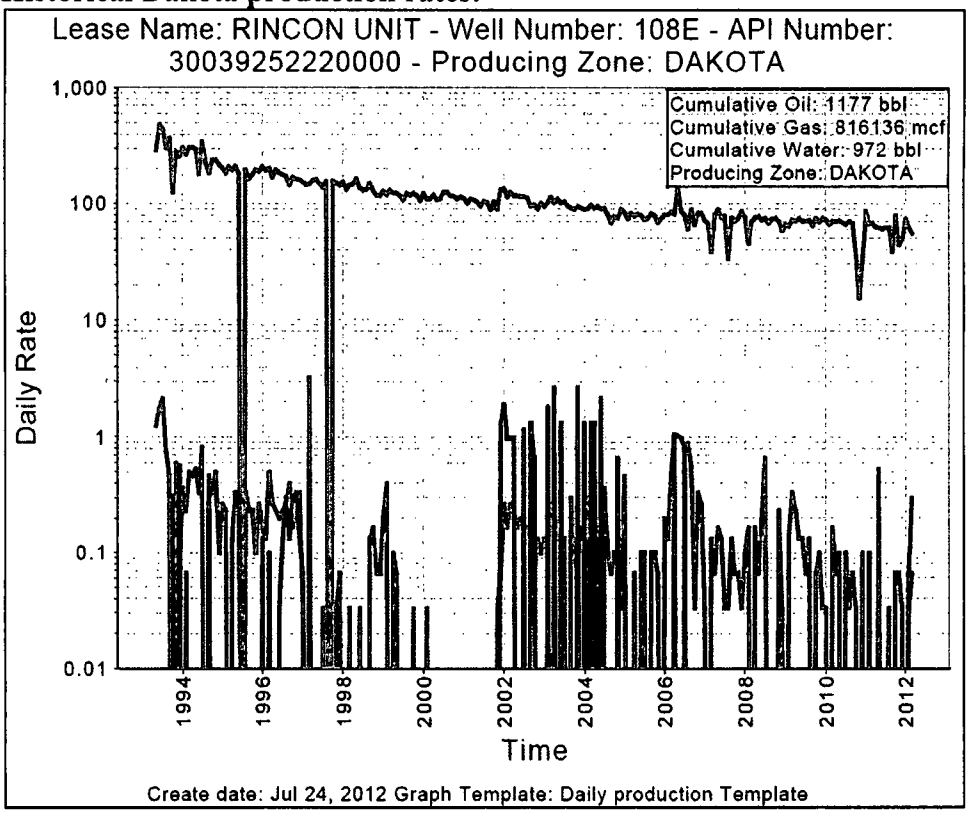
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: July 23, 1992
Signature & Seal of Professional Surveyor: Cecil B. Talley, New Mexico, Registered Professional Land Surveyor, 9672
Cecil B. Talley
Certificate No. 9672

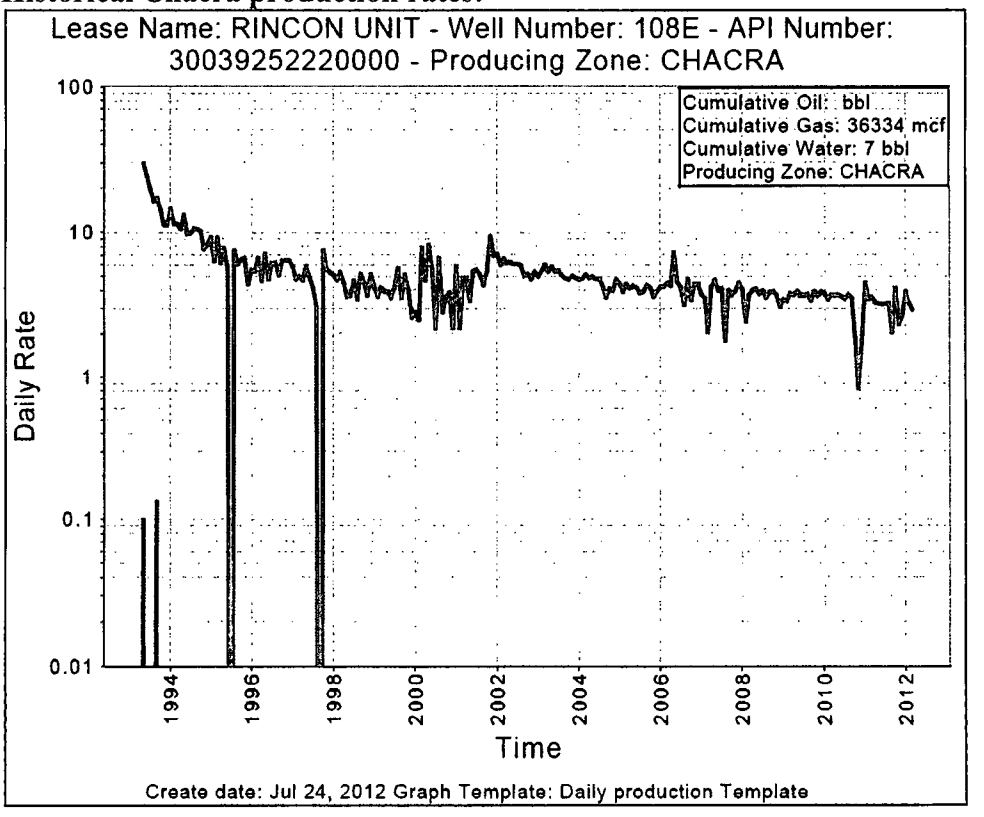
Exhibit I

RECEIVED
BLM
92 AUG -7 PM 12:39
070 FARMINGTON, N.M.

Historical Dakota production rates:



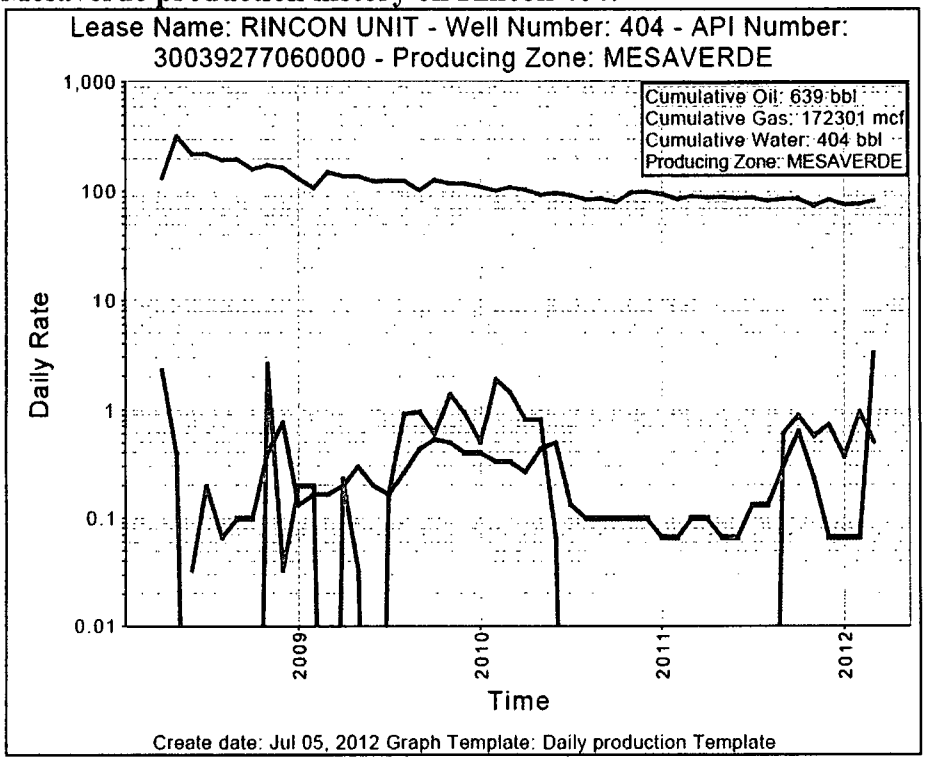
Historical Chacra production rates:



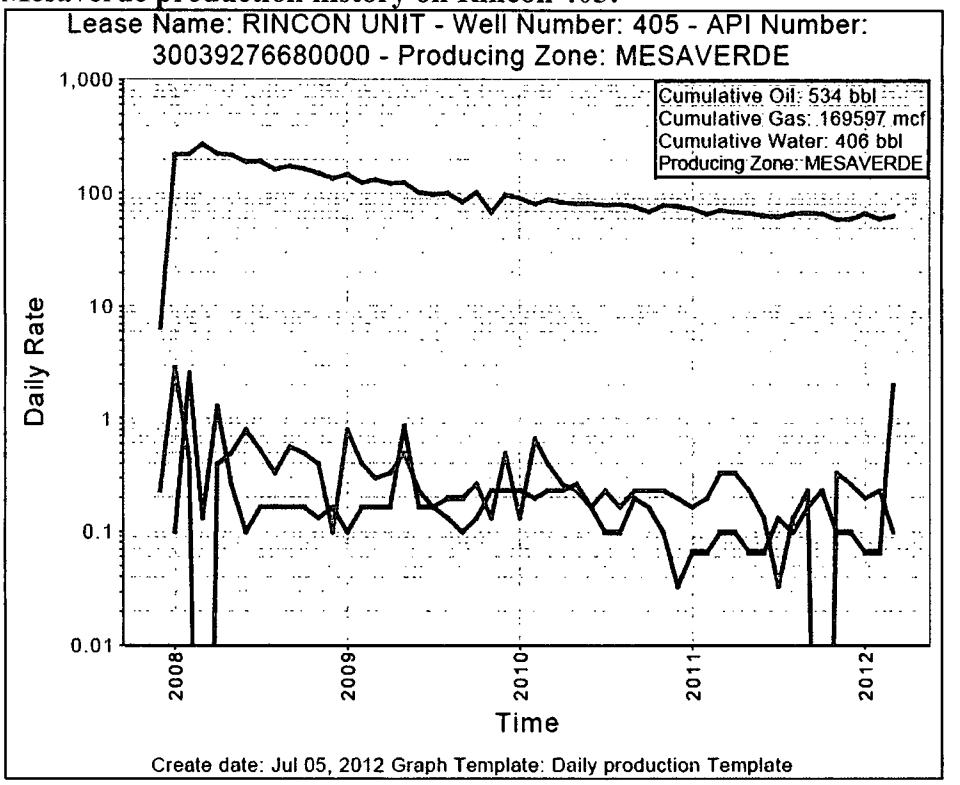
Offset Mesaverde Well Production - justification for Rincon 108E Mesaverde recompletion.

Well #	API	Spud	Mesaverde IP (mcfd)	Mesaverde Stablize Rate (mcfd)	Current Mesaverde Rate (mcfd)
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**

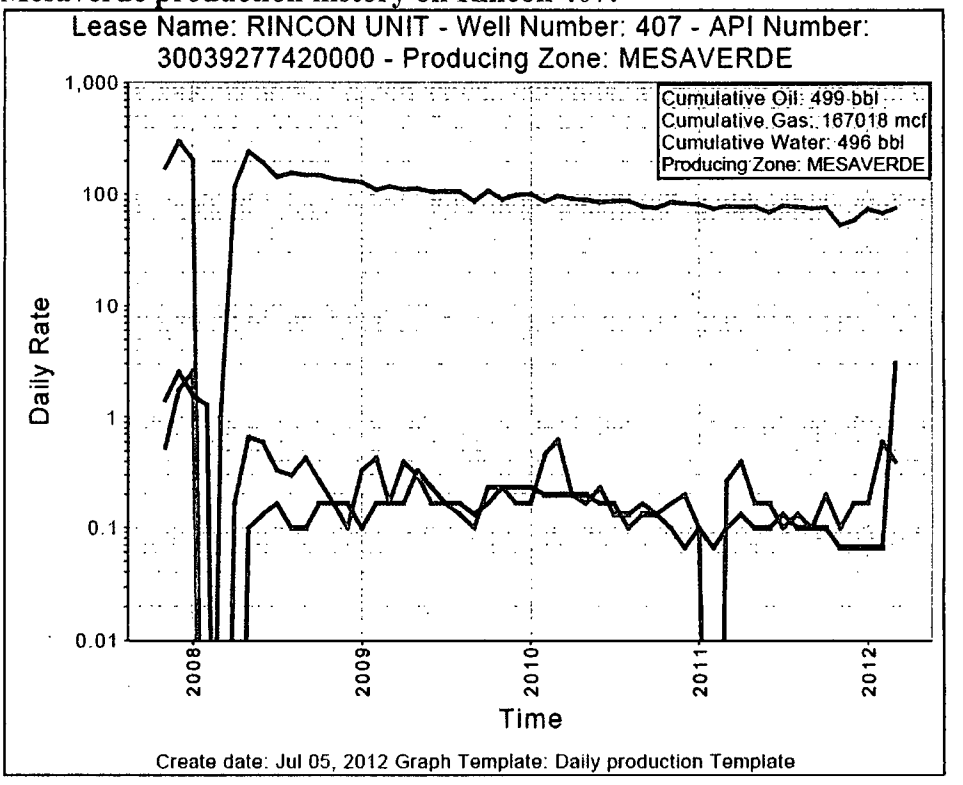
Mesaverde production history on Rincon 404:



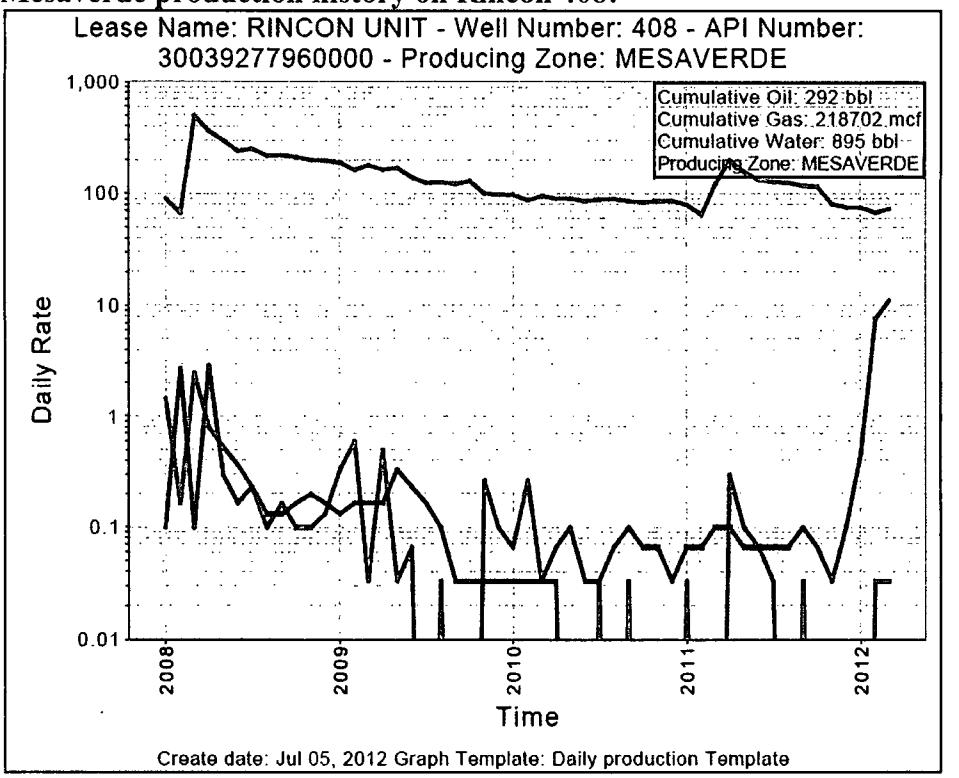
Mesaverde production history on Rincon 405:



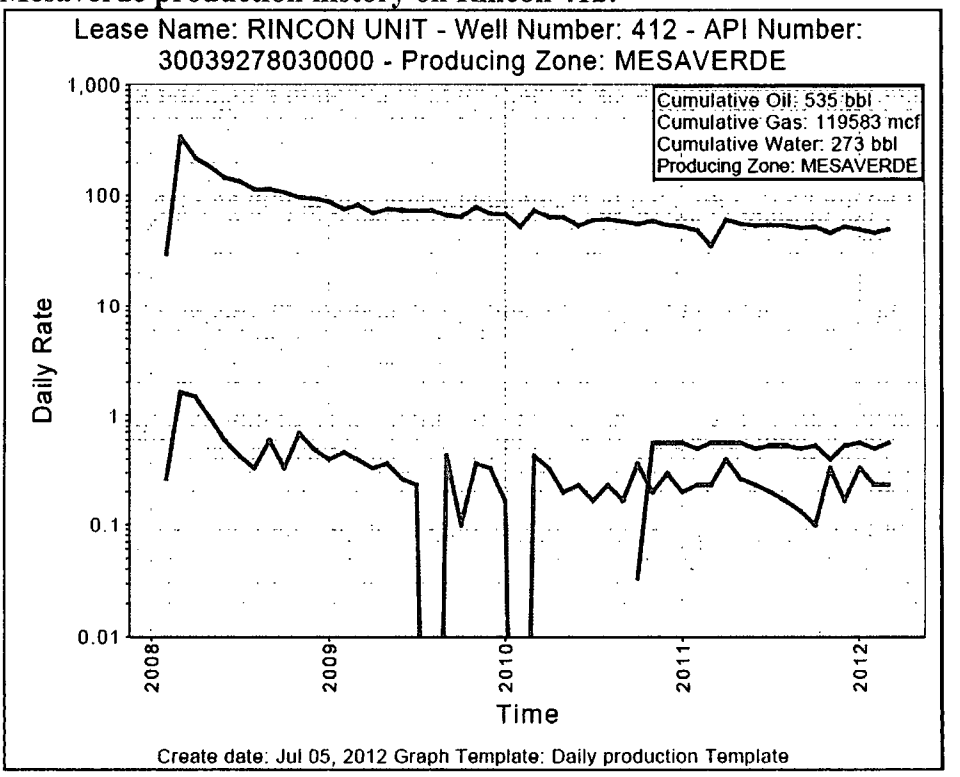
Mesaverde production history on Rincon 407:



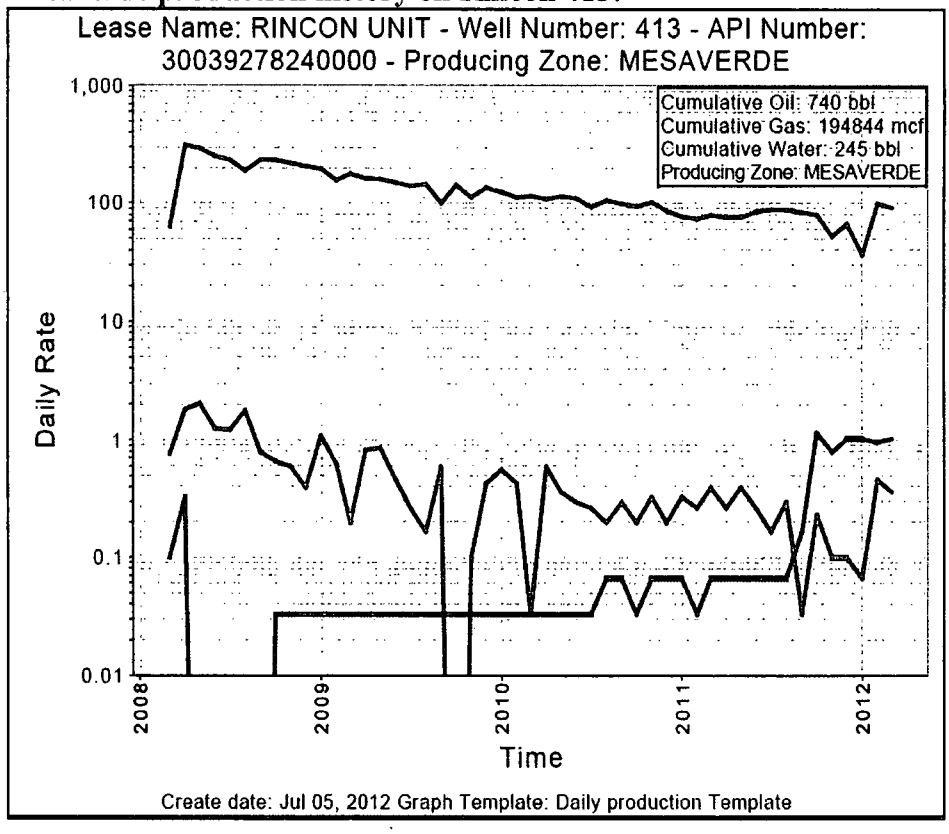
Mesaverde production history on Rincon 408:



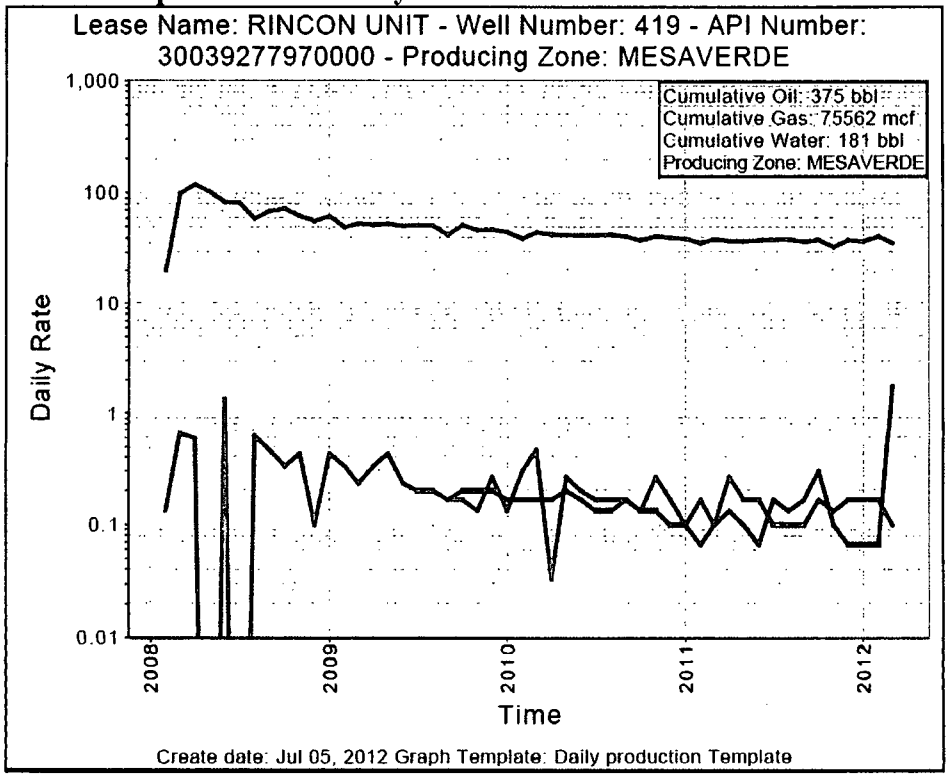
Mesaverde production history on Rincon 412:



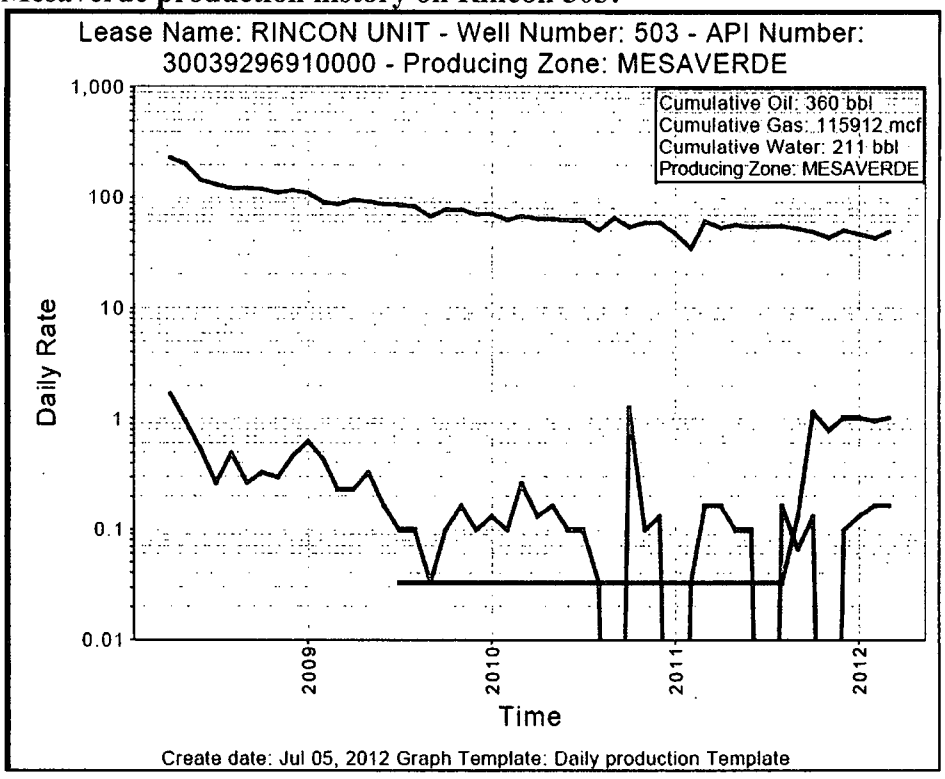
Mesaverde production history on Rincon 413:



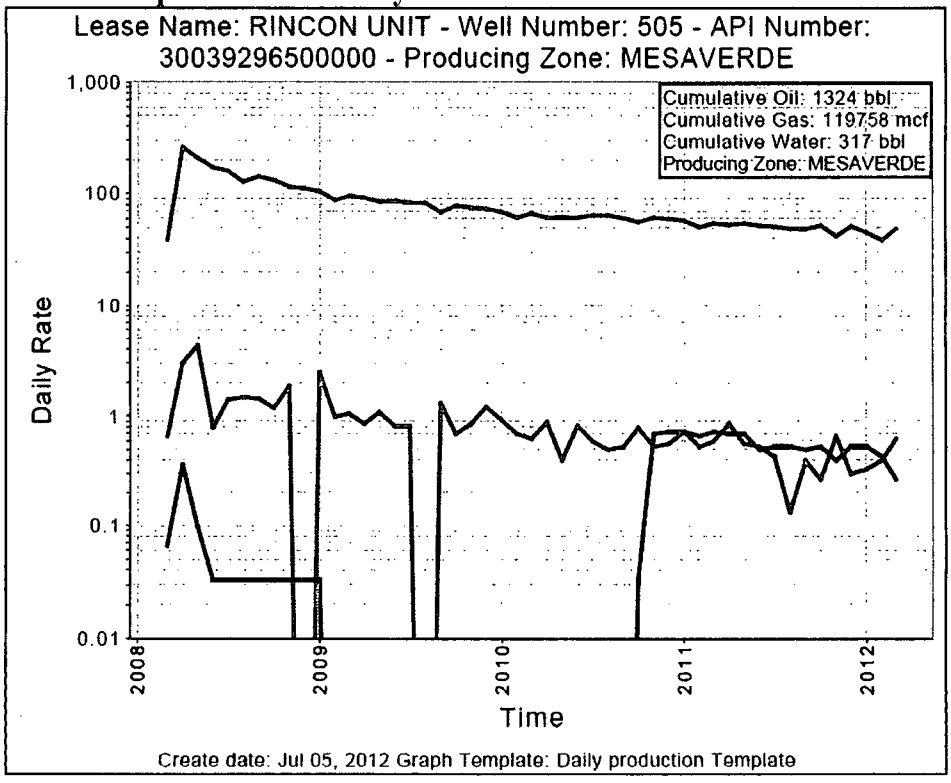
Mesaverde production history on Rincon 419:



Mesaverde production history on Rincon 503:



Mesaverde production history on Rincon 505:



Form 3160-5
(March 2012)

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.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5. Lease Serial No.
NMNM78406D/NMSF079366

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Rincon #108E

2. Name of Operator
Chevron Midcontinent

9. API Well No.
30-039-25222

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

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

10. Field and Pool or Exploratory Area
Basin Dakota / Otero Chacra

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1180 FSL 1805 FEL 19-27N-06W

11. County or Parish, State
Rio Arriba

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Apply for second DHC permit to add a third zone
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 respectfully submits this notification regarding the application for a downhole trimingle for the Rincon #108E. Currently this well produces under Down Hole Commingle (DHC) 584.

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.

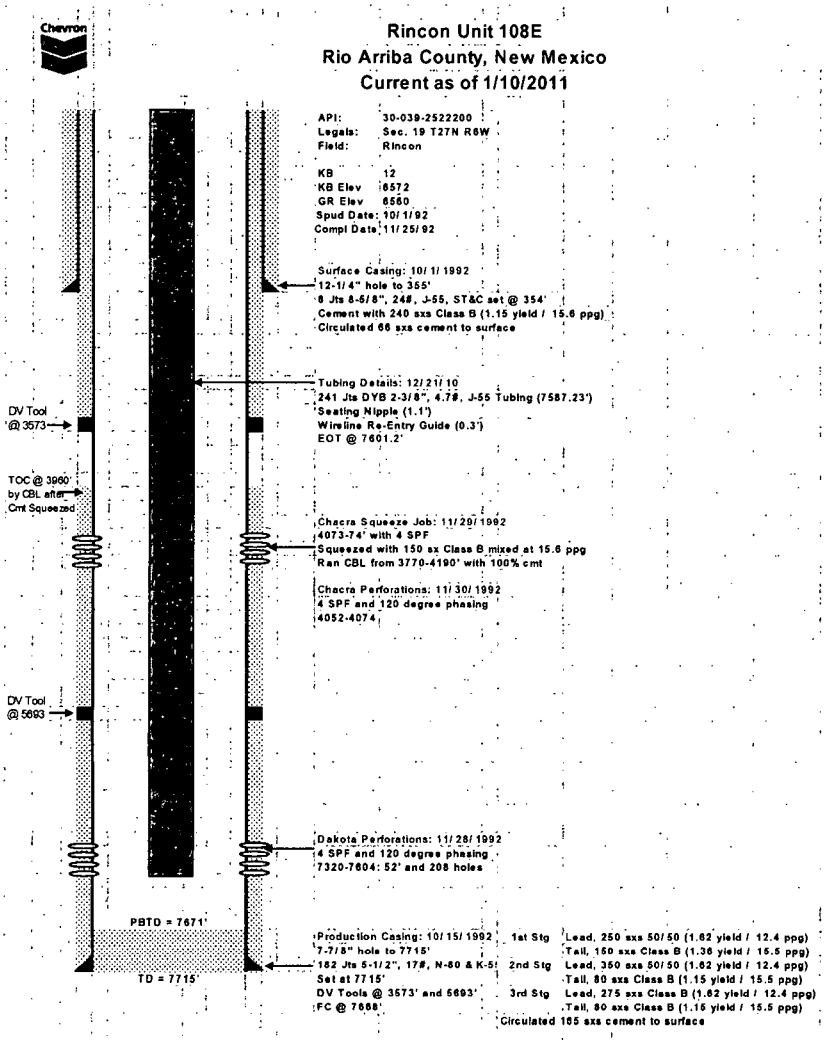
(Instructions on page 2)

Rincon Unit # 108E

Rio Arriba County, New Mexico
Sec 19 – T 27N – R 6W
Field: Basin
API: 30-039-25222

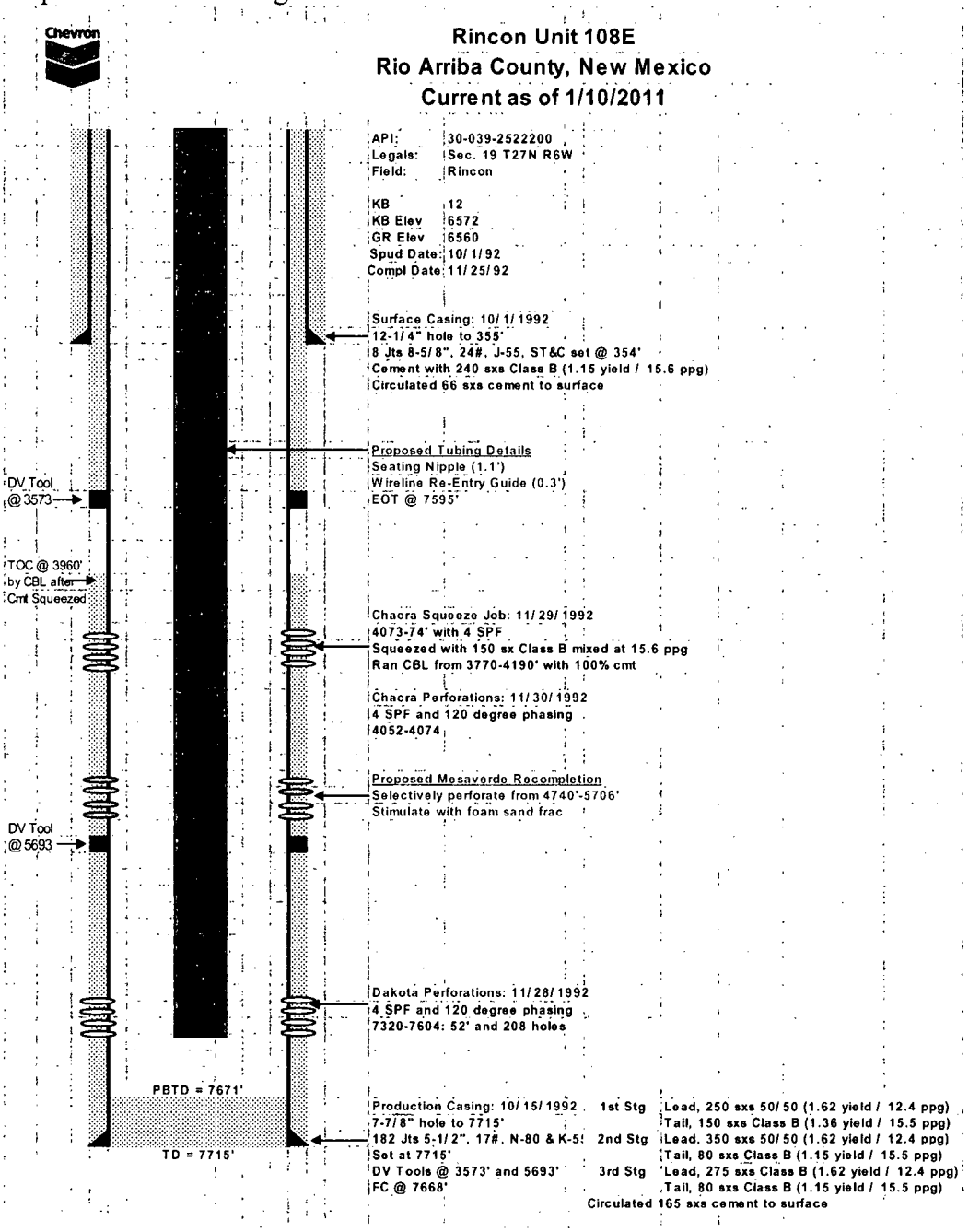
1. REMOVE TUBING.
2. SELECTIVELY PERFORATE MESAVERDE FORMATION (4740'-5706').
3. FOAM-SAND FRAC STIMULATES THE MESAVERDE.
4. RUN PRODUCTION TUBING AND LAND AT ~ 7595'.
5. INSTALL PLUNGER LIFT EQUIPMENT.
6. DOWNHOLE TRIMINGLE MESAVERDE AND EXISTING CHACRA, DAKOTA PRODUCING ZONES.

Current Wellbore Diagram:



Chevron

Proposed Wellbore Diagram:



District I
1625 N French Dr , 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, 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

10223

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 theoperator 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 108E

API Number 30-039-25222 OCD Permit Number

U/L or Qtr/Qtr O Section 19 Township 27N Range 6W County Rio Arriba

Center of Proposed Design Latitude 36 5554280268416 Longitude -107 505873445662 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 584-AZ

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 indentify 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:** 6/22/2012

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 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 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.

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: 'aprile.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