

Unocal Oil & Gas Division
Unocal Corporation
3300 North Butler Avenue
Suite 200
Farmington, New Mexico 87401
Telephone (505) 326-7600
Fax: (505) 326-6145



July 28, 1992

Farmington District


New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, New Mexico 87410
Attn: Frank Chavez

SUBJECT:
Requesting Approval for
Surface Commingling of
Condensate Production from
Rincon Unit, Well No. 158-M
Sec 22, T-27-N, R-6-W
Rio Arriba County, New Mexico

Attached is a copy of the application sent to David Catanach for his approval; this copy is for your information.

Very truly yours,

Union Oil Company of California
dba Unocal


Glen O. Papp
District Production Engineer

JUL 30 1992
OIL CON. DIV.
DIST. 3

Unocal Oil & Gas Division
Unocal Corporation
3300 North Butler Avenue
Suite 200
Farmington, New Mexico 87401
Telephone (505) 326-7600
Fax: (505) 326-6145



July 27, 1992

CERTIFIED RETURN RECEIPT
P-671-272-430

Farmington District

New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Box 2088
Santa Fe, NM 87504-2088
Attn: David Catanach

JUL 29 1992
OIL CON. DIV.
DIST. 3

SUBJECT:

Requesting Approval for
Surface Commingling of
Condensate Production from
Rincon Unit, Well No. 158-M
Sec 22, T-27-N, R-6-W
Rio Arriba County, New Mexico

Union Oil Company of California, dba Unocal, requests permission to surface commingle condensate from its Rincon Unit, Well No. 158-M, Rio Arriba County, New Mexico. The following describes and demonstrates how Unocal proposes to allocate production under the context of BLM Onshore Oil and Gas orders for commingling, and under the New Mexico Oil Conservation Commission Manual for the Installation and Operation of Commingling Facilities.

The Rincon Unit No. 158-M well is a development gas well scheduled to be drilled by Unocal. The well is to be completed as a dual Dakota/Mesa Verde producer; and it is anticipated that it will be ready for pipeline deliveries September 7, 1992.

Unocal is proposing to surface commingle produced fluids from individual separators into a common stock tank (Exhibit No. 1). Royalties will be paid on the liquid volumes sold from the tank.

The proposed location is within existing Dakota and Mesa Verde participating areas within the Rincon Unit (Exhibit No. 2). The minerals are held in fee by Jo Kaime of Counselor New Mexico. The lease is described in Exhibit No.3.

Unocal is requesting from the New Mexico Oil Conservation Division, approval for surface commingling of the produced condensate and the following method for allocating production. Unocal will conduct initial condensate production tests of equivalent time frames for each of the two zones. The condensate produced during the test period from each pool will be used to calculate an average daily rate (Exhibit No. 4, Part 1). Each month this rate will be multiplied by the days on production, to

yield a volume produced for the month (Exhibit No. 4, Part 3).
The corrected volumes will be allocated as per Exhibit 4, Part 5.
To ensure the accuracy of the allocation factor, Unocal will
retest the zones every six months after the initial test.

Should you have any questions or need any additional information
to process this request, please feel free to contact me at the
above letterhead address or phone.

Very truly yours,

Union Oil Company of California
dba Unocal


Glen O. Papp
District Production Engineer

pmh

cc:NMOCD Aztec Office--Frank Chavez
BLM--Ken Townsend

EXHIBIT No. 1

UNOCAL [®]

CONDENSATE ACCOUNTING SCHEMATIC

RINCON UNIT # 158-M

RIO ARRIBA COUNTY, NEW MEXICO

RECEIVED
JUL 29 1992
OIL CON. DIV.
DIST. 3

Dakota

Mesa Verde

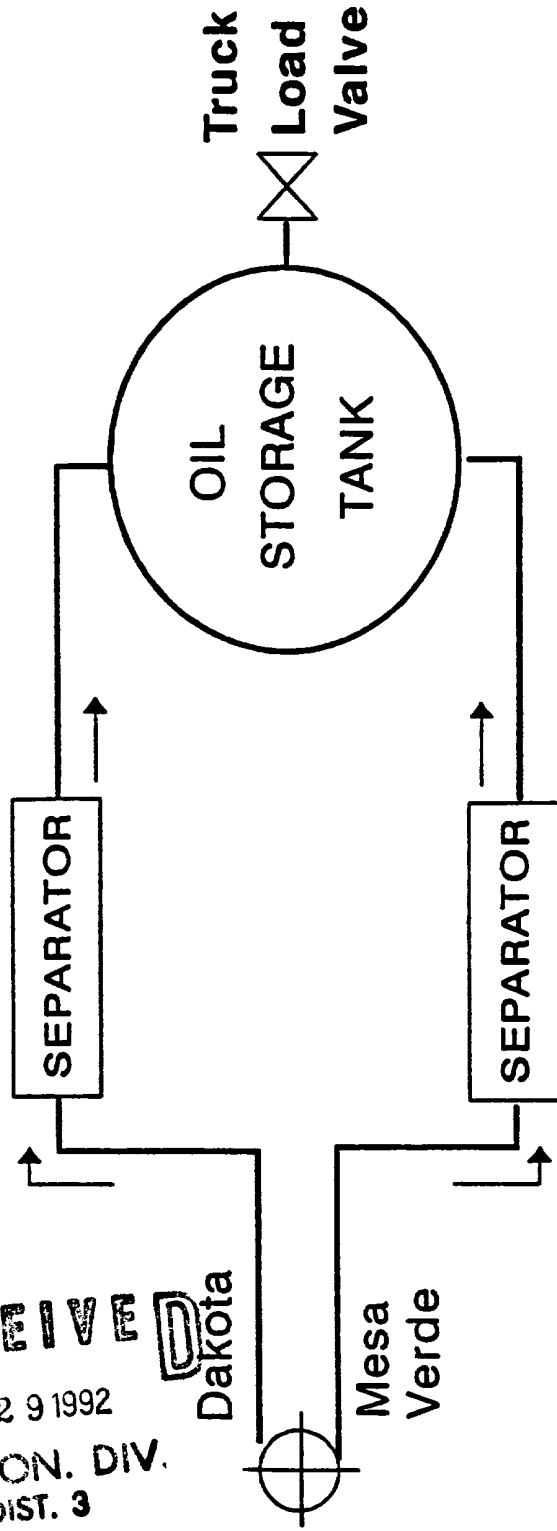
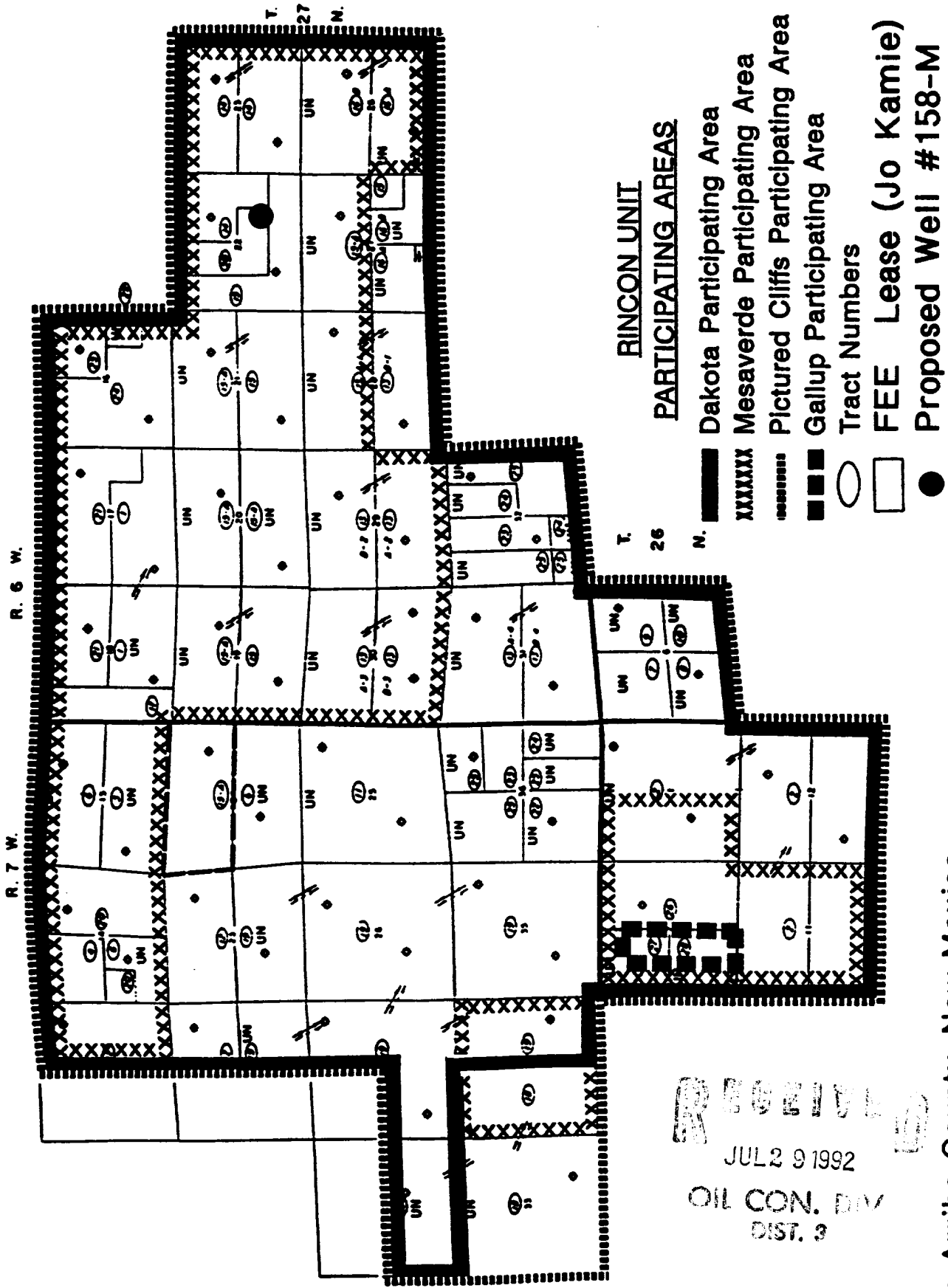


EXHIBIT No. 2



Rio Arriba County, New Mexico

EXHIBIT NO. 3

LEASE DESCRIPTION

FEE LEASE HOLDER	# ACRES	DISCRIPTION
JO KAIME	160	T-27-N R-6-W Sec 22: E/2NW/4, NE/4SW/4 NW/4SE/4

OTHER WELLS ON LEASE

WELL #	PRODUCING ZONE	LOCATION (T27N - R6W)
53	PICTURED CLIFFS	1750' FSL 1690' FEL - Sec 22

05/21/2009
11:23:02
SEN. DM.1
DIST. C

EXHIBIT No. 4
CONDENSATE
ALLOCATION CALCULATIONS

1) Production Test completed on both zones, yields:

Mesa Verde Test Rate = R_1 (BPD)

Dakota Test Rate = R_2 (BPD)

2) Days On / Month

Mesa Verde Days On = A

Dakota Days On = B

3) i) Actual Total Monthly Gauge Volume: G (BPM)

ii) Calculated Individual Volumes:

Mesa Verde = $R_1 \times A$

Dakota = $R_2 \times B$

Total Volume = $R_1(A) + R_2(B)$

4) Allocation Factor (AF):

$$AF = \frac{G}{R_1(A) + R_2(B)}$$

5) Corrected Allocation Volumes:

Mesa Verde = $AF \times R_1(A)$

Dakota = $AF \times R_2(B)$