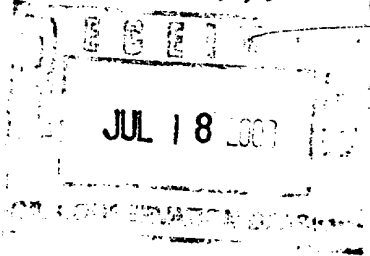


NSL 8/7/00
Hh: Charlie Pervin



NM Oil Conservation Division
1000 Rio Brazos Rd
Aztec, NM 87410



July 14, 2000

Q3-27N-6W

Subject:
Non standard location
Rincon Unit #173m
Rio Arriba County, NM



Sirs:

Union Oil Company of California (Unocal) is making application to drill the Rincon Unit #146m. The proposed well is to be a Dakota - Mesa Verde commingle, the Dakota being a 160 acre well and the Mesa Verde an 80 acre infill. When this well was filed for approval it was a standard location per Dakota field rules. Due to the ruling change order R-10987-B dated 6/30/00 the location is now non standard.

The location was placed at this spot to optimize spacing with the offset wells and to comply with the standard location rules. The location has passed all archeological and BLM inspection hurdles and is ready for approval pending the non-standard location approval.

We are requesting approval of the non standard location to optimize infill well spacing and reduce the effect of drainage from adjacent wellbores. Should you have any questions in regards to this request please contact Mike Phillips (505) 632-1811.

Very truly yours,

Union Oil Company of California
d.b.a. Unocal

Mike Phillips
Drilling Foreman

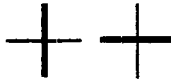
MR Phillips
SAID NO TOPOGRAPHICAL REASONS FOR
THIS NSL
I WILL NOT make NSL inspection
7-26-2000
CP

X

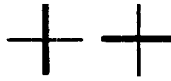
Infill in the SE quarter

Well Name: 173m - section 23

location picked by field rules (790' F/ boundary & 130' F/ 1/4 section)



				Infill location		EW	NS	Dist to infill
<u>Mesa Verde:</u>	<u>well #</u>	<u>F/ EW</u>	<u>F/ NS</u>	<u>F/ EW</u>	<u>F/ NS</u>			
NW / 4	82a	860	1805	130	790	990	2595	2,777
SW / 4	82	1830	1610	130	790	1960	820	2,125
SE / 4	83a	1590	1500	130	790	1460	710	1,623
NE / 4	83	1650	990	130	790	1520	1780	2,341
<u>Dakota:</u>								
NW / 4		na	na					
SW / 4	173	1450	1850	130	790	1580	1080	1,903
SE / 4		na	na					
NE / 4	146	1090	1020	130	790	960	1810	2,049

Well Name: 173m - lay down Dk
optimize spacings
I1810 FSL
2345 FEL
sec 23

				Infill location		EW	NS	Dist to infill	original location
<u>Mesa Verde:</u>	<u>well #</u>	<u>F/ EW</u>	<u>F/ NS</u>	<u>F/ EW</u>	<u>F/ NS</u>				
NW / 4	82a	860	1805	295	830	1155	2635	2,877	2,777
SW / 4	82	1830	1610	295	830	2125	780	2,264	2,125
SE / 4	83a	1590	1500	295	830	1295	670	1,458	1,623
NE / 4	83	1650	990	295	830	1355	1820	2,269	2,341
<u>Dakota:</u>									
NW / 4	1	na	na						
SW / 4	173	1450	1850	295	830	1745	1020	2,021	1,903
SE / 4	3	na	na						
NE / 4	146	1090	1020	295	830	795	1850	2,014	2,049

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK		DRILL <input checked="" type="checkbox"/>		DEEPEN <input type="checkbox"/>	
b. TYPE OF WELL		OIL WELL <input type="checkbox"/>		GAS WELL <input checked="" type="checkbox"/>	
		OTHER <input type="checkbox"/>		SINGLE ZONE <input type="checkbox"/>	
				MULTIPLE ZONE <input type="checkbox"/>	
2. NAME OF OPERATOR Union Oil Company of California dba(Unocal)					
3. ADDRESS AND TELEPHONE NO. P.O. Box 671, Midland TX.					
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)* At surface 1810' FSL and 2345' FEL At proposed prod. zone Same as Surface					
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 40 miles Southeast from Bloomfield NM.					
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE FT (Also to nearest drg. Unit line, if any)		2345'		16. NO. OF ACRES IN LEASE 2645.09	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.		2014'		19. PROPOSED DEPTH 7750'	
21. ELEVATIONS (Show whether DF, RT, GR, e)		6613' GR		17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
				20. ROTARY OR CABLE TOOLS Rotary	
				22. APPROX. DATE WORK WILL START* July 1, 2000	
23. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
12-1/4"	H-40 9-5/8"	32.3#	350'	285 SACKS "B" TOC @ SURFACE	
8-3/4"	K-55 7"	20#	2890'	300 SACKS TYPE III TOC @ SURFACE	
6-1/4"	N-80 4-1/2"	11.6#	7750'	SACKS 65/35 POZ TYPE III TOC TIED INTO 7" CASI	

"Expedited APD/ROW"

Unocal plans to drill the Rincon Unit 173M, and complete in the Mesa Verde and the Basin Dakota and downhole commingle the two formations.

BOP- One double gate BOP with 3-1/2" pipe and blind rams, one choke manifold with adjustable and positive chokes, an accumulator will hydraulically operate BOP with 1 1/2 times the necessary capacity to close the rams and retain a minimum of 200 psi above recharge. Rotating head will be utilized during the drilling of the 6-1/4" hole. (Schematics are attached)

We will have a fire suppression system in place, in the event that we have to flare while dust drilling the production hole.

IN ABOVE SPACE DESCRIBED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. SIGNED Mike C. Phillips TITLE PERMIAN ROCKY MOUNTAIN DRILLING FOREMAN DATE 06/07/00
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the application to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, 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.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
100 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 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		1 Pool Code 71599		1 Pool Name Basin Dakota S 1/2	
4 Property Code 011510		3 Property Name RINCON UNIT			5 Well Number 173M
7 OGRID No. 023710		8 Operator Name UNION OIL COMPANY OF CALIFORNIA			9 Elevation 6613

10 Surface Location

UL or lot no. J	Section 23	Township 27 N	Range 6 W	Lot Idn	Feet from the 1810	North/South line South	Feet from the 2345	East/West line East	County 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 320		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

Ac. S 89° 47' W		79.60 Ch.		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature: <i>[Signature]</i> Mike Phillips Printed Name Rky Mtn/Perm Basin Drlg Foreman Title 4/12/00 Date	
78.54 Ch.		79.13 Ch.			
Fd. SEC. 9 365-A		Fd.			
5F-0123		2345'			
N 0° 58' E		N 0° 38' E			
1810'		80.15 Ch.		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. 4 APR 2000 Date of Survey Signature and Seal of Professional Surveyor #3466 William C. Mahake II Certificate Number 8466	
Fd. N 89° 44' W		Fd.			

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
PO Box 1900, Lordsburg, NM 87842
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10-2
Revised February 21, 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		2 Pool Code 72319		3 Pool Name Blanco Mesa Verde	
4 Property Code 011510		5 Property Name RINCON UNIT			6 Well Number 173M
7 OGRID No. 023710		8 Operator Name UNION OIL COMPANY OF CALIFORNIA			9 Elevation 6613

10 Surface Location

UL or lot no. J	Section 23	Township 27 N	Range 6 W	Lot Idn	Feet from the 1810	North/South line South	Feet from the 2345	East/West line East	County 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

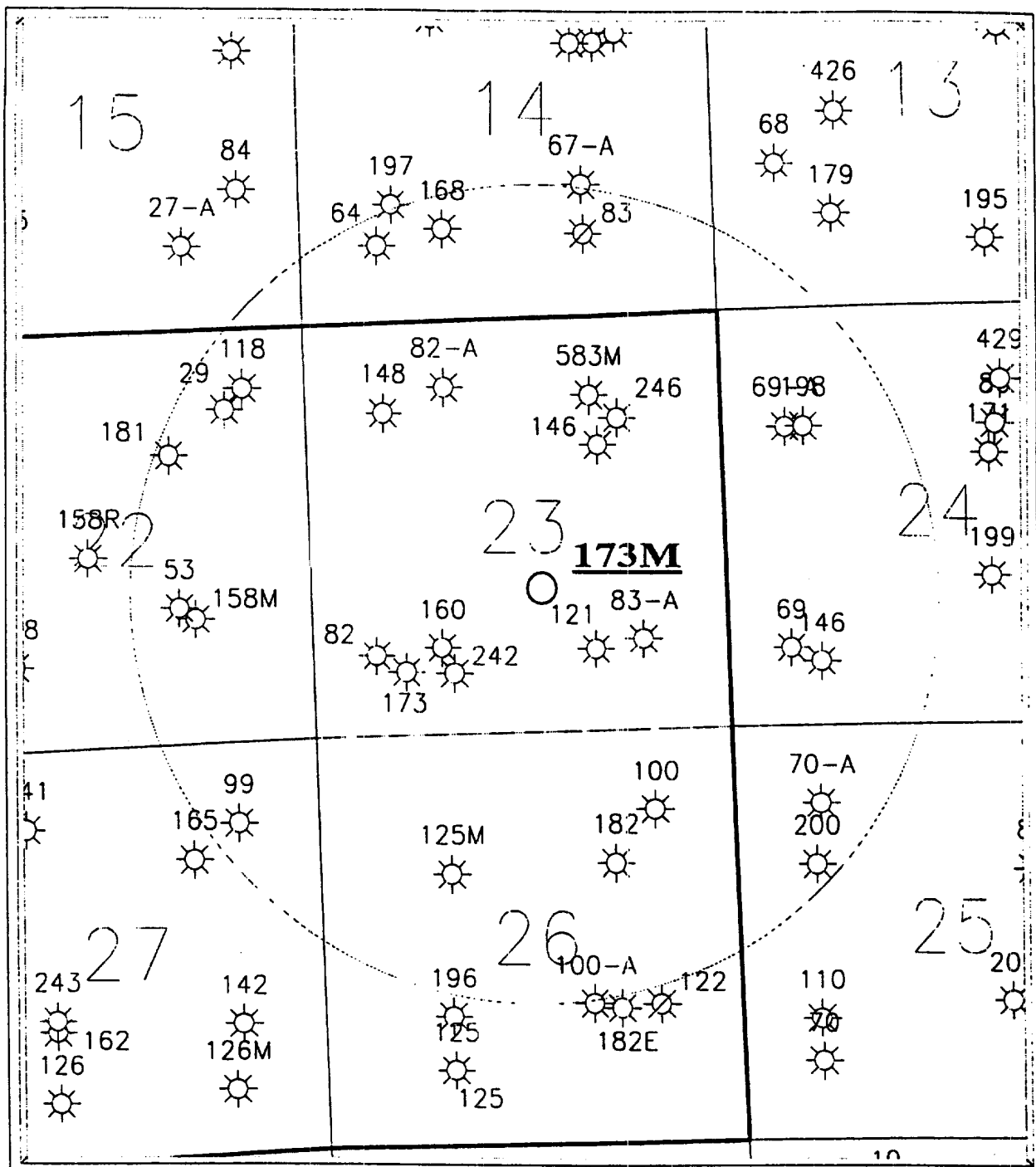
12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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

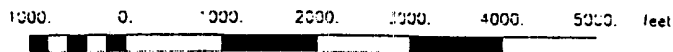
16 FIELD NOTES S 89° 47' W 79.60 CH. 78.54 CH. 79.13 CH. 79.38 CH. 80.15 CH. N 89° 44' W 1810' 2345' 23 SEC. 19365-A SF-019365-A		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Mike Phillips</u> Printed Name: <u>Mike Phillips</u> Title: <u>Rky Mtn/Perm Basin Drlg Foreman</u> Date: <u>4/12/00</u>	
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: <u>4 Apr. 2000</u> Signature and Seal of Professional Surveyor: <u>William S. Mahake II</u> Certificate Number: <u>8466</u>			

UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT #173M
1810' FSL & 2345' FEL
Sec. 23, T27N, R6W, NMPM
Rio Arriba Co., NM

The map is a topographic representation of a mountainous region. It features numerous contour lines indicating elevation, with labels such as 6200, 6300, 6400, 6500, 6600, and 6700. Section numbers 10, 11, 12, 13, 22, 23, 25, 26, and 27 are marked across the landscape. The words 'GASFIELD MESA' are spread across the central and lower portions of the map. A specific location is marked with a dot in Section 23, corresponding to the text block. A dashed line, possibly representing a road or boundary, runs through the area. The map is overlaid with a grid of section lines.



Scale 1:24000.



RINCON UNIT		
Rio Arriba Co., NV		
Proposed Well Location		
All Wells	Scale 1:24000	
Joe Schmitt	5/10/109	1"=400' GP