

Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, P.O. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811

DEC N/R

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JAN 30 1996



Monday, January 29, 1996

Certified Receipt No. Z 407 288 662

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

CC:
New Mexico Oil Conservation Division
Attn.: Mr. William J. LeMay
PO Box 2088
Santa Fe, New Mexico 87504-2088

Dear Mr. Chavez:

Union Oil Company of California d.b.a. UNOCAL requests approval to down-hole commingle hydrocarbon production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

| Well | Legal Location |
|-----------------|--------------------------------------|
| Rincon Unit 134 | 1100' FNL, 1840' FEL, S12, T26N, R7W |

a UNOCAL operated well located on Federal acreage.

This well was drilled and completed, with 4-1/2" casing, in January, 1974 in the Dakota formation. The Dakota is currently producing 120 Mcfd gas and a trace of oil. UNOCAL proposes to perforate, stimulate with a hydraulic fracture and isolate and test (w/ a production packer and 2-3/8" tubing) oil, gas and water production from the Mesa Verde formation. If production from the Mesa Verde is deemed economical, the Mesa Verde would be downhole

commingled with the Dakota. Allocation factors will be calculated from the Mesa Verde test and the Dakota's historical production.

Mesa Verde reserves in this acreage would be developed most economically if this well were granted downhole commingle approval. Approval prior to completion is being sought because production casing size will not support running of dual production strings. Drilling a replacement well of larger casing size or a stand alone Mesa Verde well is not economical at this time.

One week shut-in surface pressures from off-set Mesa Verde wells were obtained in October, 1995 as follows-

| <u>WELL</u> | <u>Location</u> | <u>SICP (psig)</u> | |
|-------------|--------------------|--------------------|----------------------------|
| 134E MV | SE, S12, T26N, R7W | 820 | (Drilled/completed 1995) |
| 231E MV | NW, S12, T26N, R7W | 820 | (Drilled/completed 1995) |
| 134 DK | NE, S12, T26N, R7W | 460 | (Drilled/completed 1973/4) |

UNOCAL is confident that production will not be wasted and the proposed method of completion will efficiently drain Dakota and Mesa Verde acreage around this wellbore. Royalty interests between zones are identical.

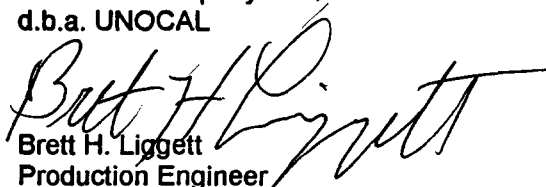
Attachments:

- 1) Current well bore schematic.
- 2) Oil and gas production curves.
- 3) Lease map showing well locations for offset pressure data and offset lease operators.
- 4) Letters to offset operators stating UNOCAL's proposal.

If you have any questions regarding this proposal please contact me at (505) 632 - 1811 #14.

Sincerely,

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


Brett H. Liggett
Production Engineer

UNOCAL

ROCKY MOUNTAIN ASSET GROUP

②

WELL: RINCON UNIT #134LOCATION: 1100' FNL 1840' FEL Sec. 12 T26N R7W NW NECOUNTY: Rio ArribaSTATE: NMPRODUCING FORMATION: Dakota

SPUD DATE: 10/12/73

COMPL DATE: 1/30/74

RECOMPL DATE: -----

Elevation = 6453'

KB = 13'

Updated: 1/3/96

By: H. Dahlgren

9-5/8", 32.3# H-40 @ 237'
Cmt w/ 190 sxs, Circ. to Surface

TOC
@ 2690'
by TS

234 Jts., 2-3/8" EUE 8rd, 4.7# J-55 FHD @ 7265'
(9/19/94)

31.33 1 jt., 2 3/8" 4.7# J-55 EUE 8rd tbg

1.10' Standard 2-3/8" SN

7219.37' 233 jts., 2 3/8" 4.7# J-55 EUE 8rd tbg

7251.80' Total

13.00' BKDB

7264.80' FHD

DV Tool
@ 5367'

Dakota perms: 7037-7277

7038, 7136, 7138, 7188, 7190,

7210, 7258, 7277 w/ 1 spf

Frac w/ 70,300 gal wtr, 70,000# 40/60 sand

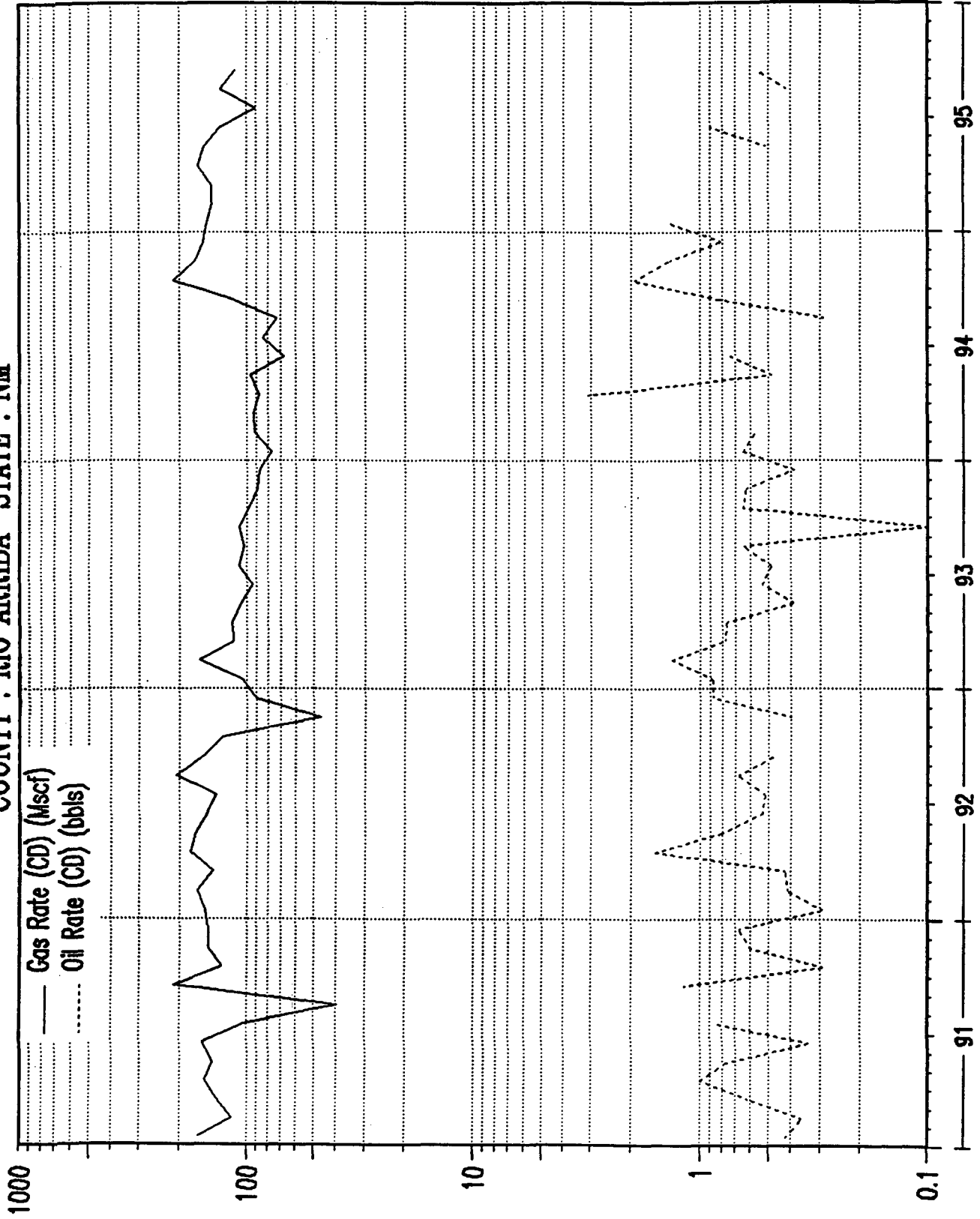
PBTD
@ 7360'

4-1/2", 11.6 & 10.5#, K-55 @ 7378'

TD = 7378' Cmt w/ 194 sxs 1st stg circ., 580 sxs 2nd stg no circ on displ.

Dite

WELL: RINCON UNIT 134:DK
SECTION : 12 TOWN : 26N RANGE : 07W
COUNTY : RIO ARriba STATE : NM



UNOCAL, RINCON UNIT, T27N R6W

| | | | | | |
|----|----|----|----|----|----|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |



108A
170
135A
135E

OPERATOR:
CAULKINS OIL CO.

OPERATOR:
CAULKINS OIL CO.

UNIT BOUNDARY

UNOCAL, RINCON UNIT, T26N R7W

| | | | | | |
|----|--------------------------------|---|---|-------------------------------|---------------------|
| 6 | 5 | 4 | 3 | 2 | 1 |
| | OPERATOR: LOUIS DRYFUS CORP | OPERATOR: CENTRAL RESOURCES INC. UNIVERSAL RESOURCES INC. | OPERATOR: CENTRAL RESOURCES INC. UNIVERSAL RESOURCES INC. | | |
| 7 | 8 | 9 | 10 | 11 | 12 |
| | | | OPERATOR: CENTRAL RESOURCES INC. UNIVERSAL RESOURCES INC. | | 231E 134 134E |
| 18 | 17 | 16 | 15 | 14 | 13 |
| | | | OPERATOR: LOUIS DRYFUS CORP BAYDER OIL CO. | OPERATOR: CALLKINS OIL CO. | |
| 19 | 20 | 21 | 22 | 23 | 24 |
| | | | | | |
| 30 | 29 | 28 | 27 | 26 | 25 |
| | | | | | |
| 31 | 32 | 33 | 34 | 35 | 36 |
| | | | | | |

UNIT BOUNDARY

UNOCAL, RINCON UNIT, T27N R7W

| | | | | | |
|----|----|--------------------------|-------------------|----|-------------------------------------|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 OPERATOR: MERIDIAN OIL CO. |
| 30 | 29 | 28 OPERATOR: AMOCO | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 124 168E | 35 | 36 |

UNIT BOUNDARY

UNOCAL, RINCON UNIT, T26N R6W

| | | | | | |
|------------------------------------|-----------------------------------|-----------------------------------|----|----|----|
| 6 150E | 5 OPERATOR: CALLING OIL CO. | 4 OPERATOR: CALLING OIL CO. | 3 | 2 | 1 |
| 7 OPERATOR: CALLING OIL CO. | 8 | 9 | 10 | 11 | 12 |
| 18 OPERATOR: CALLING OIL CO. | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |

UNIT BOUNDARY

Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, P.O. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811



Monday, January 29, 1996

United State Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Greetings:

Union Oil Company of California (UNOCAL) has requested, from the State of New Mexico, Oil Conservation Division, approval to down hole commingle production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

| Well | Legal Location |
|-----------------|--------------------------------------|
| Rincon Unit 134 | 1100' FNL, 1840' FEL, S12, T26N, R7W |

Attached for Bureau of Land Management review is this proposal. If there are any objections to the proposed action, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact me at (505) 532-1811 ext. 14.

Sincerely,

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

Brett H. Liggett
Production Engineer



Monday, January 29, 1996

Caulkins Oil Co.
1997 E. Blanco Blvd.
Bloomfield, New Mexico 87413

Greetings:

Union Oil Company of California (UNOCAL) has requested, from the State of New Mexico, Oil Conservation Division, approval to down hole commingle production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

| Well | Legal Location |
|-----------------|--------------------------------------|
| Rincon Unit 134 | 1100' FNL, 1840' FEL, S12, T26N, R7W |

If Caulkins Oil Co., as an offset operator, has an objection to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact me at (505) 532-1811 ext. 14.

Sincerely,

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

Brett H. Liggett
Production Engineer



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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06 FEB 1996 8 52

AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 Fax (505) 334-6170

GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

ADMINISTRATIVE ORDER RECOMMENDATION

Date: 2/2/96

New Mexico Oil Conservation Division
PO Box 2088
Santa Fe NM 87504-2088

RE: Proposed MC _____
Proposed NSL _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC X _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 2/1/96
for the Unocal

Rimco Unit 134

OPERATOR

LEASE & WELL NUMBER

B-12-26N-7W

and my recommendations are as follows:

UL-S-T-R

Approve

Yours truly,

For SO