

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 15, 1991

RECEIVED

Farmington District

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

JUL 22 1991

OIL CONSERVATION DIVISION

**SUBJECT:**

Requesting Approval of  
Exception to Rule 303-A  
Rincon Unit No. 192-E Well  
NW/4, Sec. 1, T-26-N, R-7-W  
Rio Arriba County, New Mexico

Union Oil Company of California, dba UNOCAL, requests permission to surface commingle gas production from its Rincon Unit No. 192-E well, Rio Arriba County, New Mexico. The following describes and demonstrates how Unocal proposes to allocate gas production under the context of BLM Onshore Oil and Gas Order No. 5, Measurement of Gas.

The Rincon Unit No. 192-E well is a development gas well scheduled to be drilled by Unocal in the summer of 1991. The well is to be completed as a dual Dakota and Gallup producer. The local gas gathering company, Gas Company of New Mexico (GCNM), has requested that Unocal deliver this gas to a predetermined tie-in point on their gathering system. GCNM will set only one sales meter at this tie-in point. (Attachment No. 1).

In order to measure properly from each zone, Unocal is proposing to set two allocation meters at the well site and measure oil and gas from each stream separately. Downstream of the allocation meters the gas will be surface commingled in the flow line. The gas will flow downstream to be measured again at the GCNM sales meter (Attachment No. 2). Royalties will be paid based on the gas volume measured at the sales meter, and liquid volumes sold from the tanks.

The proposed location is within existing Dakota and Gallup participating areas within the Rincon Unit. The leases are federal leases and they are described in Attachment No. 3. The royalty in the two formations is the same.

Mr. Wayne Townsend of the Farmington, NM, BLM office was contacted for his opinion of this proposal. Mr. Townsend advised Unocal to denote the surface commingling in the pipeline right-of-way Sundry notice. He suggested that approval of the right-of-way would also imply approval of the surface commingling.

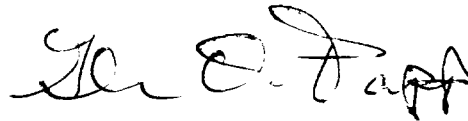
David Catnach  
July 15, 1991  
Page 2

Unocal is requesting from the New Mexico Oil Conservation Division, approval for surface commingling of the produced gas and of the following method for allocating the production from the central meter to the individual zones. Unocal will calculate a monthly allocation factor, as shown in Exhibit #4, part I. The allocation factor, will then be used as illustrated in exhibit #4, part II, to determine individual meter volumes. To ensure the accuracy of the individual meters, Unocal will continue to calibrate, perform orifice plate inspections, and settlement tests as described in BLM Onshore Oil and Gas Order No. 5, Measurement of Gas.

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

A handwritten signature in black ink, appearing to read "Glen O. Papp". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Glen O. Papp  
District Production Engineer

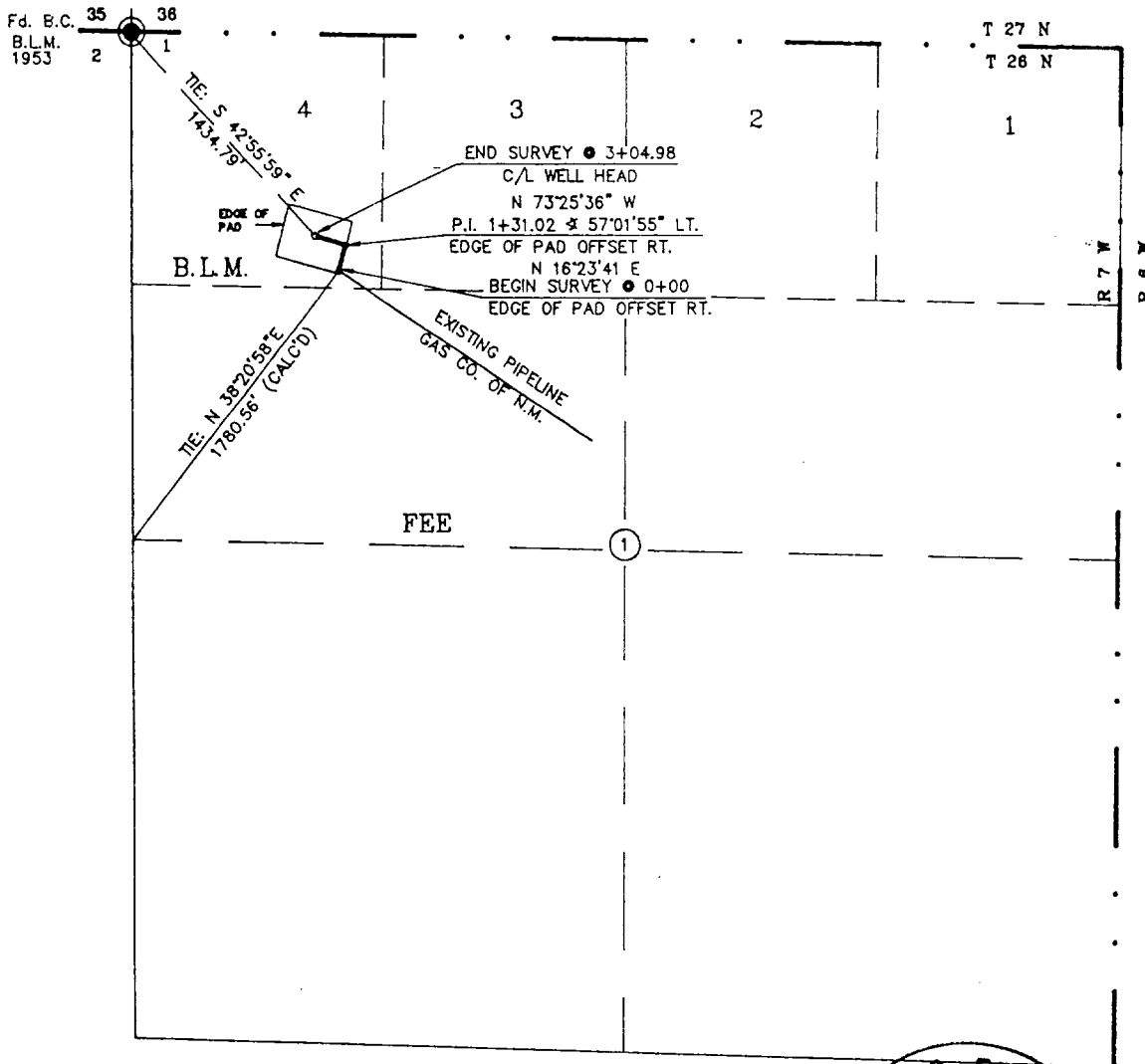
GOP/bjt715

Attachments

# RINCON UNIT 192 E

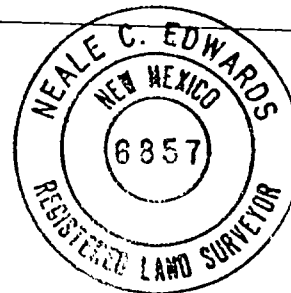
NW/4, NW/4 SEC. 1, T 26 N, R 7 W, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO

B.L.M. - 304.98 FT./18.48 RODS



NOTE: BASIS OF BEARING IS THE RECORD BEARING OF THE NORTH LINE OF SEC. 1,  
T 26 N, R 7 W, N.M.P.M., RIO ARriba COUNTY, NEW MEXICO.  
BEARS: N 89°03' W

I, NEALE C. EDWARDS, A REGISTERED PROFESSIONAL SURVEYOR UNDER THE LAWS OF THE  
STATE ON NEW MEXICO, HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD  
NOTES OF AN ACTUAL SURVEY MEETING THE MINIMUM REQUIREMENTS OF THE STANDARDS FOR  
LAND SURVEYS AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



5-21-91

DATE:

*Neale C. Edwards*  
NEALE C. EDWARDS  
N.M.R.L.S. #6857



SCALE: 1" = 1000'

**UNOCAL**

FARMINGTON, NEW MEXICO



RINCON UNIT 192 E

DATE SURVEYED:

MAY 25, 1991

REV. DATE:

APPRVD BY:

DRAWN BY:

J.B.

DRWG. NO.:

A392M192

SURVEYED BY:

N

4900 KAYENTA DRIVE  
FARMINGTON, NEW MEXICO 87403

PREPARED BY:



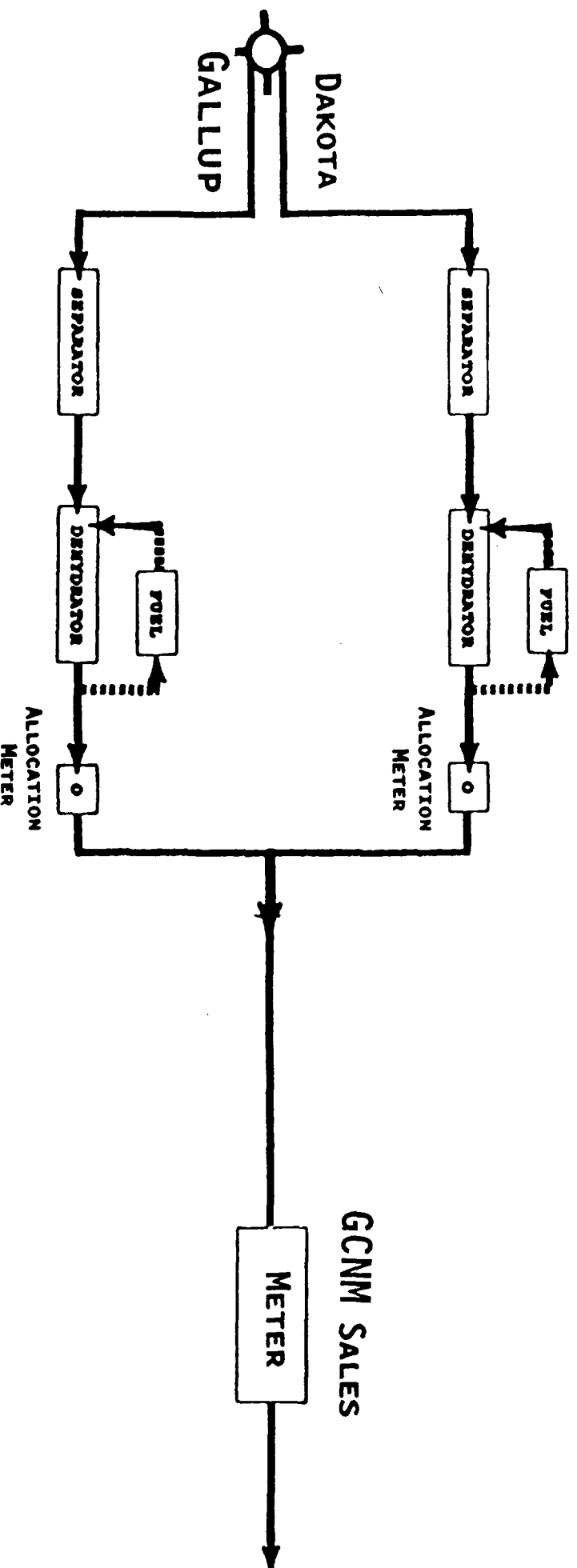
TRIGON ENGINEERING INC  
DENVER COLORADO

**UNOCAL<sup>®</sup>**

**GAS ACCOUNTING SCHEMATIC**

**RINCON UNIT #192-E**

**RIO ARriba COUNTY, NEW MEXICO**



## EXHIBIT #3

FEDERAL LEASE #	# ACRE	LOCATION
SF-079160	640	T-26-N, R-7-W SEC. 1

## OTHER WELLS ON LEASE #SF-079160

WELL #	PRODUCING ZONE	LOCATION
46	PICTURED CLIFFS	990' FN & 1650' FE SEC. 1, T-26-N, R-7-W
57	DAKOTA	990' FN & 990, FE, SEC. 1, T-26-N, R-7-W
7	PICTURED CLIFFS	65' FN & 1655' FW SEC. 1, T-26-N, R-7-W
101	MESA VERDE	1850' FS & 850' FW SEC. 1, T-26-N, R-7-W
271	FRUITLAND COAL	1155' FS & 1155' FW SEC. 1, T-26-N, R-7-W
272	FRUITLAND COAL	790' FN & 1200' FE SEC. 1, T-26-N, R-7-W

# EXHIBIT #4

## ALLOCATION CALCULATIONS

I) Allocation Factor (AF):

$$AF = \frac{\text{Integrated Central Meter Volume; MCF/MO}}{\sum_{1}^2 \text{Integrated Individual Meter Volumes, MCF/MO}}$$

II) Allocation To Individual Zones:

Zone	Integrated Individual Meter Volume	Monthly AF	Allotted Volume (MCF/MO)
Gallup	Vol <sub>1</sub>	AF	Vol <sub>1</sub> x AF
Dakota	Vol <sub>2</sub>	AF	Vol <sub>2</sub> x AF