

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

RECEIVED

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

MAY 21 1991

OIL CONSERVATION DIVISION

CASE NO. 10309

APPLICATION OF UNION OIL COMPANY OF  
CALIFORNIA d/b/a UNOCAL FOR SPECIAL  
GAS ALLOWABLES, RIO ARRIBA COUNTY,  
NEW MEXICO.

**PRE-HEARING STATEMENT**

This prehearing statement is submitted by Campbell & Black, P.A., as required by  
the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Union Oil Company of California\_\_\_\_\_  
d/b/a Unocal\_\_\_\_\_  
Post Office Box 3100\_\_\_\_\_  
Midland, Texas 79702\_\_\_\_\_  
Attn: George Bennett\_\_\_\_\_  
(915) 684-8231\_\_\_\_\_  
name, address, phone and  
contact person

**ATTORNEY**

William F. Carr, Esq.\_\_\_\_\_  
Campbell & Black, P.A.\_\_\_\_\_  
Post Office Box 2208\_\_\_\_\_  
Santa Fe, New Mexico 87504\_\_\_\_\_  
(505) 988-4421\_\_\_\_\_

**OPPOSITION OR OTHER PARTY :**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
name, address, phone and  
contact person

**ATTORNEY**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**STATEMENT OF CASE**

**APPLICANT**

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Union Oil Company of California d/b/a as UNOCAL, applicant in the above-captioned case, seeks an exception to the provisions of Division Order No. R-8170, as amended, establishing a special gas allowable rate of 500 MCF of gas per day for each completion in a prorated gas pool in three certain wells to be completed in the Blanco-Mesaverde and/or Basin-Dakota Pools in the SE/4 of Section 22 and NW/4 of Section 20, Township 27 North, Range 6 West and in the NW/4 of Section 1, Township 26 North, Range 7 West, all within its Rincon Unit Area.

**OPPOSITION OR OTHER PARTY**

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

**PROPOSED EVIDENCE**

APPLICANT

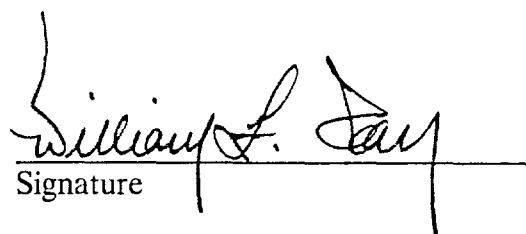
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Bill Hering (Petroleum Engineer)	20 minutes	Approximately 10
Paul West (Petroleum Engineer)	10 minutes	None

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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**PROCEDURAL MATTERS**

(Please identify any procedural matters which need to be resolved prior to hearing)

  
Signature

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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CONSIDERING:

MAY 22 1991

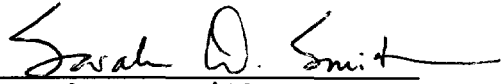
OIL CONSERVATION DIVISION

CASE NO. 10309

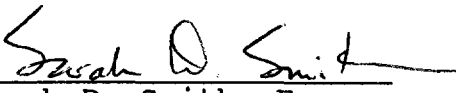
APPLICATION OF: UNION OIL  
COMPANY OF CALIFORNIA d/b/a UNOCAL

ENTRY OF APPEARANCE

Sarah D. Smith, Esq. does hereby enter her appearance on  
behalf of Gas Company of New Mexico (GCNM) and Sunterra Gas  
Gathering Company (SGGC) in the above-captioned matter.

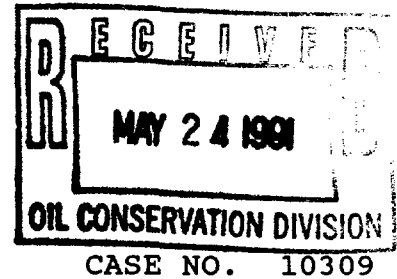
  
Sarah D. Smith, Esq.  
Attorney for  
GAS COMPANY OF NEW MEXICO and  
SUNTERRA GAS GATHERING COMPANY  
P.O. Box 26400  
Albuquerque, NM 87125-6400

I hereby certify that copies of the foregoing document were  
served upon those persons designated on the official service list  
in this proceeding this 23<sup>rd</sup> day of May, 1991.

  
Sarah D. Smith, Esq.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:



APPLICATION OF: UNION OIL  
COMPANY OF CALIFORNIA d/b/a UNOCAL

PRE-HEARING STATEMENT

This prehearing statement is submitted by Gas Company of New Mexico and Sunterra Gas Gathering Company as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT:

UNION OIL OF CALIFORNIA  
d/b/a UNOCAL

INTERVENOR:

GAS COMPANY OF NEW MEXICO and  
SUNTERRA GAS GATHERING COMPANY  
P.O. Box 26400  
Albuquerque, New Mexico 87125-6400  
Attn: Ann Bolton

ATTORNEY:

Sarah D. Smith, Esq.  
GAS COMPANY OF NEW MEXICO  
P.O. Box 26400  
Albuquerque, NM 87125-6400  
(505) 880-7937

STATEMENT OF CASE

This case involves an application by UNOCAL for an exception to the provisions of Division Order No. R-8170 to establish special gas allowables for three (3) certain wells in the Blanco-Mesaverde and/or Basin Dakota Pools in Rio Arriba County, New Mexico.

Gas Company of New Mexico (GCNM) and Sunterra Gas Gathering

Company (SGGC) are large purchasers of gas from numerous wells in the Blanco-Mesaverde and Basin Dakota pools. GCNM and SGGC object to Union Oil's proposal as an unjustified and unreasonable departure from the Commission's established method of determining allowables. The resulting instability in the entire OCD system of prorationing will have a dramatic effect on GCNM and SGGC's purchasing practices in the subject pools. Therefore, GCNM and SGGC have a direct interest in this proceeding which cannot adequately be represented by any other party.

PROPOSED EVIDENCE

INTERVENOR:

WITNESSES:


Victor T. Lyon, P.E.  
Consulting Petroleum Engineer

EST. TIME:

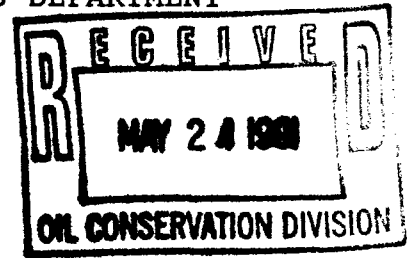
15 - 20 Minutes

PROCEDURAL MATTERS

No procedural matters of which GCNM or SGGC are aware need to be resolved prior to the hearing.

  
\_\_\_\_\_  
Sarah D. Smith, Esq.  
Attorney for GCNM and SGGC

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 10309

APPLICATION OF: UNION OIL  
COMPANY OF CALIFORNIA d/b/a UNOCAL

PRE-HEARING STATEMENT

This prehearing statement is submitted by Gas Company of New Mexico and Sunterra Gas Gathering Company as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT:

UNION OIL OF CALIFORNIA  
d/b/a UNOCAL

INTERVENOR:

GAS COMPANY OF NEW MEXICO and  
SUNTERRA GAS GATHERING COMPANY  
P.O. Box 26400  
Albuquerque, New Mexico 87125-6400  
Attn: Ann Bolton

ATTORNEY:

Sarah D. Smith, Esq.  
GAS COMPANY OF NEW MEXICO  
P.O. Box 26400  
Albuquerque, NM 87125-6400  
(505) 880-7937

STATEMENT OF CASE

This case involves an application by UNOCAL for an exception to the provisions of Division Order No. R-8170 to establish special gas allowables for three (3) certain wells in the Blanco-Mesaverde and/or Basin Dakota Pools in Rio Arriba County, New Mexico.

Gas Company of New Mexico (GCNM) and Sunterra Gas Gathering

Company (SGGC) are large purchasers of gas from numerous wells in the Blanco-Mesaverde and Basin Dakota pools. GCNM and SGGC object to Union Oil's proposal as an unjustified and unreasonable departure from the Commission's established method of determining allowables. The resulting instability in the entire OCD system of prorationing will have a dramatic effect on GCNM and SGGC's purchasing practices in the subject pools. Therefore, GCNM and SGGC have a direct interest in this proceeding which cannot adequately be represented by any other party.

PROPOSED EVIDENCE

INTERVENOR:

WITNESSES:

Victor T. Lyon, P.E.  
Consulting Petroleum Engineer

EST. TIME:

15 - 20 Minutes

PROCEDURAL MATTERS

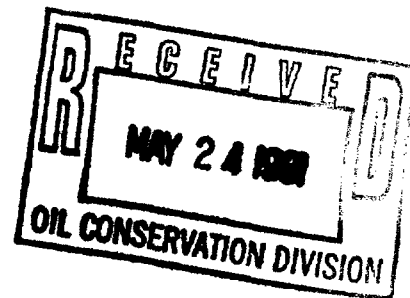
No procedural matters of which GCNM or SGGC are aware need to be resolved prior to the hearing.

  
\_\_\_\_\_  
Sarah D. Smith, Esq.  
Attorney for GCNM and SGGC

# **GAS COMPANY OF NEW MEXICO**

Sarah D. Smith

MANAGER  
LEGAL AND REGULATORY AFFAIRS



May 23, 1991

Mr. Robert Stovall, Esq.  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87504-2088

Re: Unocal Case 10309

Dear Bob:

Enclosed please find for filing an original and three copies of Gas Company of New Mexico and Sunterra Gas Gathering Company's Pre-Hearing Statement as requested. A copy has also been sent to Bill Carr, Unocal's attorney. I would like to pick up a conformed copy at Thursday's hearing, if possible.

Thank you for your attention to this matter. Please do not hesitate to call if you have any questions or need additional information from us.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Sarah".

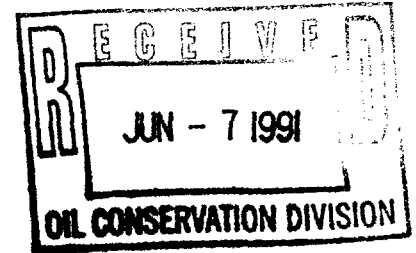
Sarah D. Smith

:mrb

Enclosures

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF UNION  
OIL COMPANY OF CALIFORNIA, d/b/a UNOCAL,  
FOR SPECIAL ALLOWABLES, RIO ARRIBA COUNTY,  
NEW MEXICO.



CLOSING STATEMENT OF THE AZTEC OFFICE  
OF THE OIL CONSERVATION DIVISION

*Unocal* seeks an exception to the rules and orders of the Division governing proration to obtain special minimum allowables for three proposed wells in the Rincon unit within the Blanco Mesa Verde and the Basin Dakota prorated gas pools. The Aztec office of the New Mexico Oil Conservation Division ("Aztec") cannot support the application of *Unocal*.

The Division commonly, but not routinely, approves individual exceptions to rules or orders if there are unique circumstances which warrant the exception. This is not such a case. *Unocal* is not in a unique circumstance. It is an operator proposing to drill three wells. Before making the financial commitment, *Unocal* quite reasonably wants some assurance from the Division that it will not make those wells artificially uneconomical by reducing the proration units' allowables. This situation is not unique to *Unocal* or these wells. Therefore, if an incentive is instituted, it should be done in such a way that it can apply uniformly to operators within the pool in order to insure that each owner has the opportunity to produce its share of the natural gas in the reservoir. Individualized discriminatory allowables created through an exception process do not accomplish that result.

Aztec therefore recommends that this application be denied because it is not, in the opinion of Aztec, an appropriate way to insure operators that they will not be subject to unreasonably low allowables or to provide sufficient predictability to eliminate regulatory risks in investment decision making.

Respectfully submitted,



Robert G. Stovall.  
General Counsel  
P.O. Box 2088  
Santa Fe, NM 87504  
(505) 827-5805

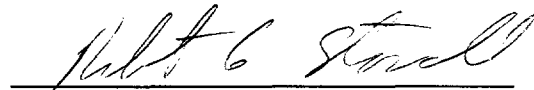
ATTORNEY FOR THE AZTEC  
DISTRICT OFFICE OF THE OIL  
CONSERVATION DIVISION

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing CLOSING STATEMENT OF THE AZTEC OFFICE OF THE OIL CONSERVATION DIVISION was served on counsel of record by mailing, postage prepaid, the same on this 7th day of June, 1991 to:

William F. Carr, Esq.  
Campbell & Black, P.A.  
P.O. Box 2208  
Santa Fe, NM 87504

Sarah D. Smith, Esq.  
Gas Company of New Mexico  
P.O. Box 26400  
Albuquerque, NM 87125-6400

---

Robert G. Stovall

Forum: NMOCD  
Case No.: 10309

# **GAS COMPANY OF NEW MEXICO**

NEW MEXICO OIL CONSERVATION DIVISION  
RECEIVED

'91 JUN 5 AM 8 42

Sarah D. Smith

MANAGER  
LEGAL AND REGULATORY AFFAIRS

June 3, 1991

Mr. Jim Morrow  
Hearing Examiner  
New Mexico Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87504-2088

Re: OCD Case #10309: UNOCAL Request for Special Allowables

Dear Hearing Examiner Morrow:

Attached please find the closing arguments of Gas Company of New Mexico and Sunterra Gas Gathering Company in the above-referenced cause. I have made every effort to precisely reproduce my statement made on the record at the close of UNOCAL's hearing.

Yours very truly,



Sarah D. Smith

:mrbb

Attachment

cc: William F. Carr, Esq. (w/attachment)  
Robert Stovall, Esq. (w/attachment)  
Frank Chavez - OCD (Aztec Office) (w/attachment)  
Victor T. Lyon, P.E. (w/attachment)

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF APPLICATION  
OF UNION OIL COMPANY OF CALIFORNIA  
d/b/a UNOCAL FOR SPECIAL ALLOWABLES,  
RIO ARriba COUNTY, NEW MEXICO.

CASE NO. 10309

CLOSING ARGUMENT OF  
GAS COMPANY OF NEW MEXICO AND  
SUNTERRA GAS GATHERING COMPANY

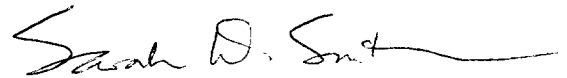
Gas Company of New Mexico and Sunterra Gas Gathering Company have presented testimony through their witness, Vic Lyon, former chief engineer for this agency, that this application for special allowables should not be granted.

Mr. Lyon has testified that:

- \* UNOCAL's application dramatically deviates from established OCD procedures in setting allowables;
- \* That even if we were to try and apply the accepted formula, the allowables requested by UNOCAL far exceed what they should be; and
- \* Finally, that the Division's mandate of protecting correlative rights and preventing waste will not be served by granting UNOCAL's application. In fact, this application, if granted, will jeopardize the stability and integrity of the State's system of prorationing and will adversely affect producers and purchasers alike.

WE RESPECTFULLY REQUEST that the Hearing Examiner deny UNOCAL's request for special allowables.

Respectfully submitted,



Sarah D. Smith, Esq.  
Attorney for GCNM and SGGC  
P.O. Box 26400  
Albuquerque, NM 87125  
(505) 880-7937

I hereby certify that copies of the foregoing have been mailed to all parties of record this 3<sup>rd</sup> day of June, 1991.



---

Sarah D. Smith, Esq.

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
ANNIE-LAURIE COOGAN

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

June 6, 1991

HAND-DELIVERED

Mr. Jim Morrow, Hearing Examiner  
New Mexico Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

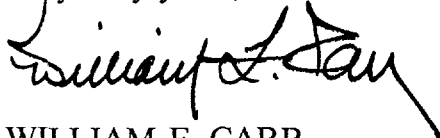
Re: Oil Conservation Division Case No. 10309:  
Application of Union Oil Company of California, d/b/a Unocal for Special  
Allowables, Rincon Unit, Rio Arriba County, New Mexico

Dear Mr. Morrow:

Pursuant to your request at the May 30, 1991 hearing in the above-referenced case, I am enclosing a copy of the Closing Statement of Union Oil Company of California d/b/a Unocal.

If you need anything further from Unocal to proceed with your consideration of this matter, please advise.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosure

cc w/enc.: Robert G. Stovall, Esq.  
Oil Conservation Division

Sarah D. Smith, Esq.  
Manager of Legal and Regulatory Affairs  
Gas Company of New Mexico  
Post Office Box 26400  
Albuquerque, New Mexico 87125

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JUN 6 1991

OIL CONSERVATION DIV.  
SANTA FE

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BEFORE THE

JUN 6 1991

OIL CONSERVATION DIVISION

OIL CONSERVATION DIV.  
SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF UNION OIL COMPANY OF CALIFORNIA,  
d/b/a UNOCAL FOR SPECIAL ALLOWABLES, RINCON UNIT,  
RIO ARRIBA COUNTY, NEW MEXICO.

CASE NO. 10309

**CLOSING STATEMENT  
OF  
UNION OIL COMPANY OF CALIFORNIA d/b/a UNOCAL**

In this case, Union Oil Company of California seeks special gas allowables for three wells located in the interior of its Rincon Unit in Rio Arriba County, New Mexico. Unocal is not seeking to change the prorationing rules in the pools affected by this application - we are only seeking an exception to these rules for three wells for a limited period of time. If this application is granted, these wells will be drilled and Unocal will obtain data to assist them in making a final decision on a proposed 82-well drilling program in the Unit. Approval of this application will be the first step toward new production of prorated gas. Unocal plans to develop this gas so it can share with non-prorated gas in what we believe will be an increase in the market for gas from the San Juan Basin which will result when new transportation facilities are completed during the next year.

Other alternative approaches to Unocal's proposal were suggested during the course of the hearing. These included making adjustment to the current proration formula or assigning of allowables on a Unit instead of an individual tract basis. Unocal, however,

believes its proposal will have the smallest overall impact on the prorationing system of any of the suggested alternatives.

Approval of Unocal's proposal is consistent with the Division's statutory duty to protect correlative rights. The three wells which are the subject of this application are located in the interior of the Rincon Unit. Accordingly, no other operator will be drained by these wells or otherwise denied an opportunity to produce its share of gas from any pool. On the other hand, approval of this application will give Unocal and the other interest owners in the Rincon Unit the data they need to make informed decisions and take advantage of their opportunity to produce their fair share of the gas from these reservoirs.

Most importantly, however, approval of this application will prevent waste for it will result in the additional development of prorated natural gas. Even Mr. Vic Lyon, expert witness for Gas Company of New Mexico and Sunterra Gas Gathering Company, could not say that if these formations are not developed in a timely manner that gas won't ultimately be left in the ground. This by definition is waste.

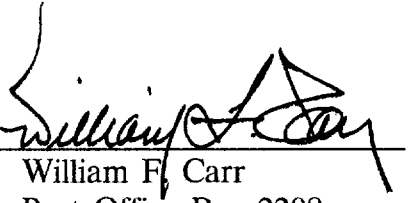
The opponents to this application presented data on the current allowable status of individual proration units (Gas Company of New Mexico and Sunterra) or on the current allowable status of the Rincon Unit as a whole (OCD). Neither addressed the particular need for additional allowable for a limited number of wells to get them drilled and hopefully a new development program started. Furthermore, all data presented by the opponents to this application was based on current well performance not, as Unocal is seeking, on data from new wells.

Additional concern was raised about this case becoming a precedent that other

operators might follow. If similar applications are filed by others, the Oil Conservation Division will have to consider those applications on a case by case basis. But on the record in this case it is clear that approval of the application of Unocal will prevent waste, will protect correlative rights, is in the best interest of conservation and should be approved.

Respectfully submitted,

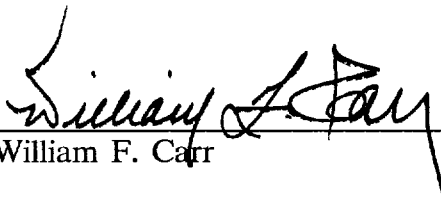
CAMPBELL & BLACK, P.A.

By:   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR UNION OIL  
COMPANY OF CALIFORNIA  
d/b/a UNOCAL

**CERTIFICATE OF MAILING**

I hereby certify that I have caused a true and correct copy of the foregoing pleading to be mailed to Sarah D. Smith, Esq., Gas Company of New Mexico, Post Office Box 26400, Albuquerque, New Mexico 87125-6400 on this 6<sup>th</sup> day of June, 1991.

  
William F. Carr



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

June 28, 1991

CAMBELL & BLACK  
Attorneys at Law  
P. O. Box 2208  
Santa Fe, New Mexico 87504

RE: CASE NO. 10285, 10286, 10300, 10302, 10309  
ORDER NO. R-9535, R-9536, R-9537, R-9538, R-9539

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson  
OC Staff Specialist

FD/sl

cc: BLM Farmington Office  
Tom Kellahin  
OCD Aztec Office



STATE OF NEW MEXICO  
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

May 6, 1991

Mr. Robert Stovall  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501-2088

Re: UNOCAL Application for Allowable, Case 10309

Dear Bob:

There are several issues that are important for the division to consider before ruling in this case:

- 1.) Historical data indicates that UNOCAL has consistently under-produced the Rincon Unit even during periods of high demand.
- 2.) By comparing anticipated production performance from infill wells and applying the proration rules which allow for up to 12 months of over-production UNOCAL will have more than enough allowable to test new wells.
- 3.) The idea of giving one operator special allowables for financial purposes in a common supply is repugnant to the principles of proration.
- 4.) In Case #10254 which resulted in Order #R-9463 UNOCAL presented testimony which was successful in causing the Commission to increase monthly allowables in the Basin Dakota Pool by 500,000 MCF above what the Division requested based on actual production from the pool. This pool increase will mean up to 18,000 MCF more allowable for UNOCAL each month.

I will be ready to present at least one exhibit illustrating each of these points at the hearing on May 30.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. T. Chavez".

Frank T. Chavez, District Supervisor

FAX TRANSMITTAL SHEET  
OIL CONSERVATION DIVISION - FAX NO. (505) 827-5741

TO: *Bill Carr*FR: *Michael Stogner*PAGES w/cover: *2*DATE: *May 8, 1991*

*Is this readvertisement for Case No. 10309  
adequate. Please call me and let me know  
ASAP either way.*

If there are any problems with this transmission, please call (505) 827-5806.

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
ANNIE-LAURIE COOGAN

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 23, 1991

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APR 23 1991

OIL CONSERVATION DIVISION

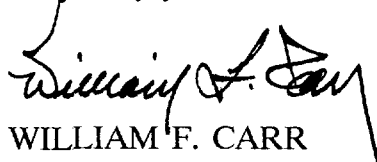
William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Union Oil Company of California d/b/a  
Unocal, for Special Allowables, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced application of Union Oil Company of California d/b/a Unocal. Union Oil Company of California respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on May 16, 1991.

Very truly yours,

  
WILLIAM F. CARR

WFC:mlh  
Enclosures

cc w/enclosures: Mr. Bill Hering  
Union Oil Company of California  
3300 North Butler Avenue, Suite 200  
Farmington, New Mexico 87401

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
ANNIE-LAURIE COOGAN

JEFFERSON PLACE  
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May 7, 1991

Mr. William J. LeMay,  
Chairman and Secretary  
Oil Conservation Commission  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87504

RECEIVED

MAY 6 1991

Case 10309

OIL CONSERVATION DIVISION

Re: **Amended Application to Union Oil Company of California, d.b.a. Unocal for  
Special Allowables, Rio Arriba County, New Mexico**

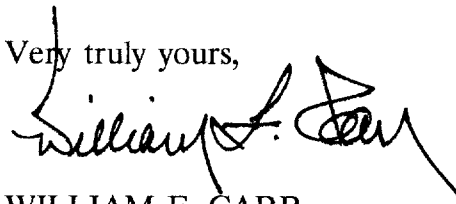
Dear Mr. LeMay:

Enclosed in triplicate is an amended Application in the above-referenced case. The purpose of this amendment is to clarify that Unocal is seeking a minimum allowable for each zone completed in the subject wells in a prorated gas pool.

Union Oil Company of California also requests that this matter currently scheduled for hearing before Division Examiner on May 16, 1991 be continued to the Examiner Hearing scheduled on May 30, 1991.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mtb

Enclosure

cc: Mr. William Hering (w/enclosure)  
Union Oil Company of California  
3300 North Butler Avenue, Suite 200  
Farmington, New Mexico 87401