

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

RELEASE 11-15-92

Oil Conservation Division
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October 26, 1992

CERTIFIED RETURN RECEIPT REQUESTED

Farmington District

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. LeMay

Dear Mr. LeMay:

Union Oil Company of California (UNOCAL) requests permission to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following well:

Rincon Unit No. 159M
1695' FNL, 1735' FWL
Section 18, T27N, R6W
Rio Arriba County, New Mexico

As required for an exception to rule 303-A, the following information is attached:

1. An acreage dedication plat showing offset lease ownership.
2. A Form C-116 showing current productivity from each zone.
3. A wellbore diagram with completion detail.
4. A measured bottomhole pressure from each zone and a calculated adjustment to a common datum.
5. Gas analyses from each zone.
6. An allocation formula for commingled production.
7. A copy of the notification letter sent to all offset operators.

The Blanco Mesaverde formation is uneconomic to drill as a stand alone well. To develop these reserves, a dual or commingled completion is required. We estimate an ultimate recovery of approximately 750 MMCF from the Mesaverde horizon, which would otherwise remain undeveloped.

UNOCAL wishes to commingle the production from the Blanco Mesaverde and Basin Dakota formations in order to more effectively lift condensate production and justify installation of compression facilities. This will result in incremental reserves for both formations.

Both zones are of common ownership and produce essentially dry gas. Therefore, the respective formation fluids are compatible. Also, no crossflow will occur between the commingled zones.

If you have any questions, please contact Dana Delventhal at (505)326-7600. Thank you for your consideration in this matter.

Sincerely,

Union Oil Company of California
dba UNOCAL



William L. Irwin
District Petroleum Engineer

Attachments

WLI/DLD/df

cc: New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410