

OIL CONSERVATION
RECEIVED
04 JUN 5 1994

UNOCAL 76

June 28, 1994

CERTIFIED--RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Division
Attn: Mr. William J. LeMay
P. O. Box 2088
Santa Fe, NM 87504-2088

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

Dear Sirs:

Union Oil Company of California (UNOCAL) requests permission to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following wells in Rio Arriba County, New Mexico:

| <u>WELL</u> | <u>LOCATION</u> | |
|----------------------|----------------------|--------------------|
| Rincon Unit No. 138E | 790' FSL, 790' FEL | Sec. 25, T27N, R7W |
| Rincon Unit No. 133E | 790' FNL, 445' FWL | Sec. 14, T27N, R7W |
| Rincon Unit No. 128M | 1175' FSL, 1885' FEL | Sec. 28, T27N, R6W |
| Rincon Unit No. 139E | 1980' FNL, 1980' FWL | Sec. 25, T27N, R7W |
| Rincon Unit No. 178E | 1500' FSL, 1290' FEL | Sec. 23, T27N, R7W |
| Rincon Unit No. 131E | 1145' FNL, 1525' FWL | Sec. 36, T27N, R7W |
| Rincon Unit No. 185E | 2100' FSL, 1610' FEL | Sec. 22, T27N, R7W |
| Rincon Unit No. 149E | 1900' FNL, 1365' FWL | Sec. 30, T27N, R7W |

As Provided by Order No. R-9893, administrative approval may be granted without notice and hearing.

In 1993, UNOCAL tested 22 Blanco Mesaverde/Basin Dakota wells for downhole commingling in the Rincon Unit. Every well subsequently qualified. Because of the extensive bottomhole pressure data and productivity data currently available, UNOCAL proposes to allocate production based on the average allocation factor of these wells.

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 and the Bureau of Land Management.

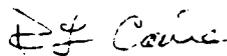
The Blanco Mesaverde formation is uneconomic to drill as a stand alone well. To develop these reserves, a dual or commingled completion is required. We estimate an ultimate recovery of 530 MMCF from the Mesaverde horizon, which would otherwise remain undeveloped. Also, commingling will allow for better lift of liquids production and benefits from compression.

Both zones 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) 632-1811. Thank you for your consideration in this matter.

Sincerely,

Union Oil Company of California
dba UNOCAL



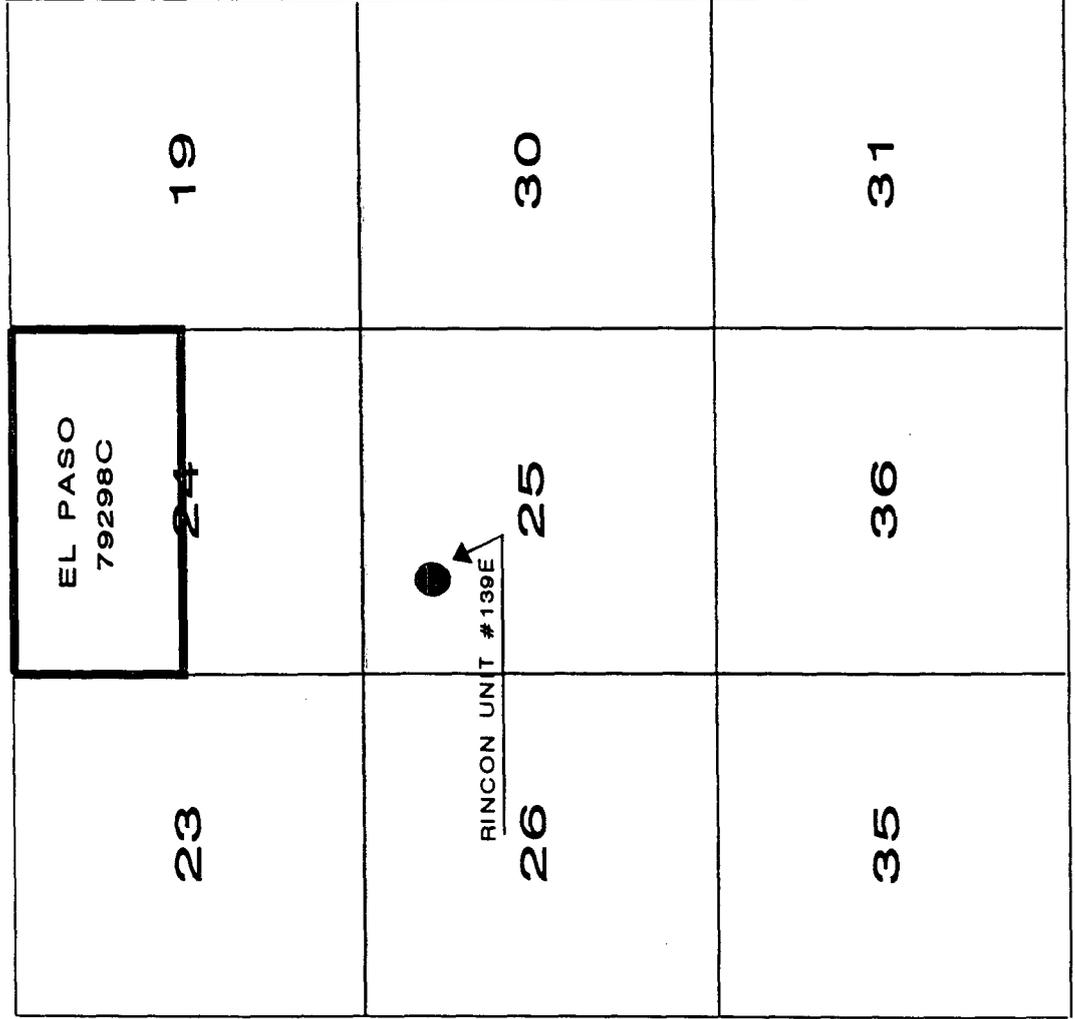
Bob Caine
Field Foreman

Attachments
DLD

OFFSET LEASE OWNERSHIP

R 6 W

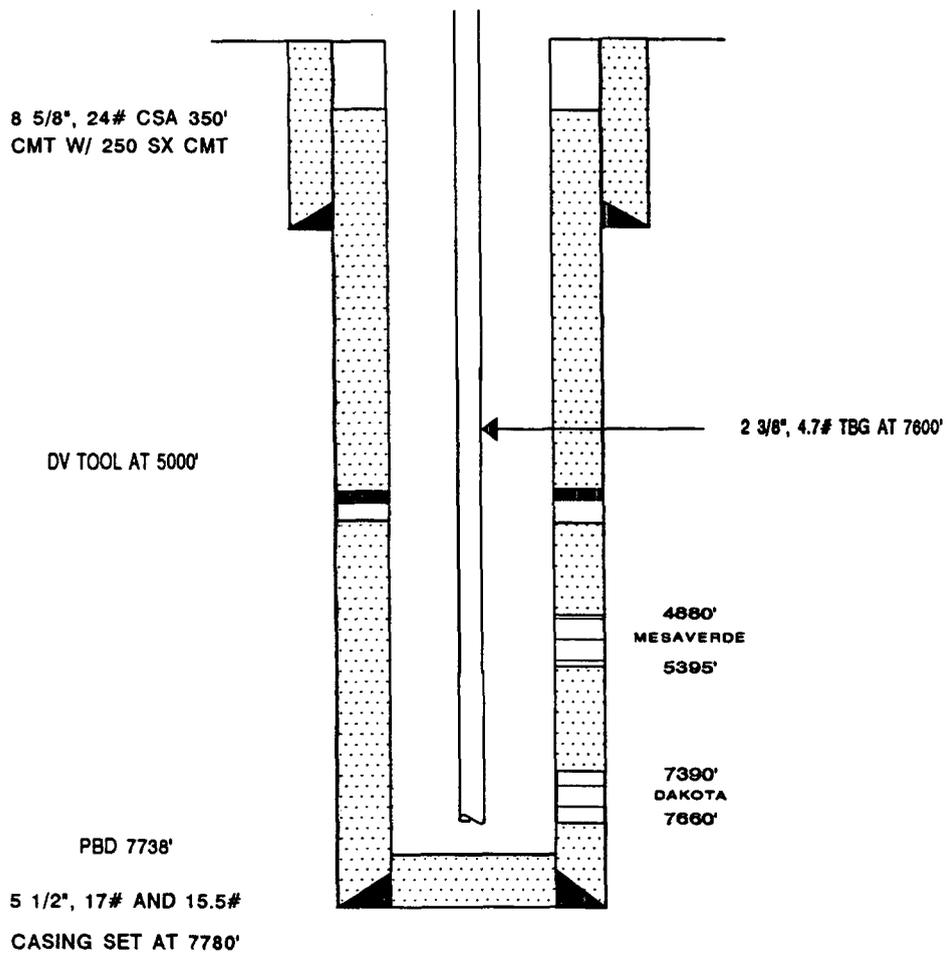
R 7 W



T 27 N

RINCON UNIT #139E: PROPOSED

1980' FNL, 1980' FWL
Sec. 25, T27N, R7W



BOTTOMHOLE PRESSURE DATA

| <u>WELL</u> | <u>MESAVERDE BHP</u> | <u>DAKOTA BHP</u> |
|----------------------|----------------------|-------------------|
| Rincon Unit No. 1E | 1156 psi | 1690 psi |
| Rincon Unit No. 125M | 789 psi | 1548 psi |
| Rincon Unit No. 126 | 660 psi | 850 psi |
| Rincon Unit No. 126M | 921 psi | 1607 psi |
| Rincon Unit No. 127 | 512 psi | 580 psi |
| Rincon Unit No. 127M | 716 psi | 1280 psi |
| Rincon Unit No. 128 | 801 psi | 781 psi |
| Rincon Unit No. 129 | 806 psi | 836 psi |
| Rincon Unit No. 129M | 1053 psi | 935 psi |
| Rincon Unit No. 130 | 586 psi | 622 psi |
| Rincon Unit No. 135 | 481 psi | 736 psi |
| Rincon Unit No. 136E | 1139 psi | 2199 psi |
| Rincon Unit No. 137 | 400 psi | 686 psi |
| Rincon Unit No. 149 | 471 psi | 521 psi |
| Rincon Unit No. 151M | 1228 psi | 1862 psi |
| Rincon Unit No. 158M | 1231 psi | 766 psi |
| Rincon Unit No. 159M | 603 psi | 583 psi |
| Rincon Unit No. 167M | 1007 psi | 1909 psi |
| Rincon Unit No. 170M | 940 psi | 1752 psi |
| Rincon Unit No. 175M | 735 psi | 1108 psi |
| Rincon Unit No. 180M | 585 psi | 788 psi |
| Rincon Unit No. 184M | <u>1753 psi</u> | <u>1708 psi</u> |
| AVERAGE | <u>844 psi</u> | <u>1152 psi</u> |

PROPOSED ALLOCATION FORMULA

| WELL | MESAVERDE | | DAKOTA | |
|----------------------|------------|------------|------------|-------------|
| | GAS | OIL | GAS | OIL |
| Rincon Unit No. 1E | 38% | 50% | 62% | 50% |
| Rincon Unit No. 125M | 56% | 50% | 44% | 50% |
| Rincon Unit No. 126 | 17% | 29% | 83% | 71% |
| Rincon Unit No. 126M | 52% | 50% | 48% | 50% |
| Rincon Unit No. 127 | 20% | 0% | 80% | 100% |
| Rincon Unit No. 127M | 17% | 50% | 83% | 50% |
| Rincon Unit No. 128 | 17% | 0% | 83% | 100% |
| Rincon Unit No. 129 | 8% | 0% | 92% | 100% |
| Rincon Unit No. 129M | 27% | 100% | 73% | 0% |
| Rincon Unit No. 130 | 7% | 7% | 93% | 93% |
| Rincon Unit No. 135 | 30% | 29% | 70% | 71% |
| Rincon Unit No. 136E | 8% | 50% | 92% | 50% |
| Rincon Unit No. 137 | 13% | 0% | 87% | 100% |
| Rincon Unit No. 149 | 11% | 0% | 89% | 100% |
| Rincon Unit No. 151M | 26% | 50% | 74% | 50% |
| Rincon Unit No. 158M | 49% | 50% | 51% | 50% |
| Rincon Unit No. 159M | 56% | 50% | 44% | 50% |
| Rincon Unit No. 167M | 21% | 0% | 79% | 100% |
| Rincon Unit No. 170M | 25% | 50% | 75% | 50% |
| Rincon Unit No. 175M | 39% | 0% | 61% | 100% |
| Rincon Unit No. 180M | 61% | 50% | 39% | 50% |
| Rincon Unit No. 184M | <u>4%</u> | <u>0%</u> | <u>96%</u> | <u>100%</u> |
| AVERAGE | <u>27%</u> | <u>30%</u> | <u>73%</u> | <u>70%</u> |

UNOCAL 76

June 28, 1994

United States Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Dear Sirs:

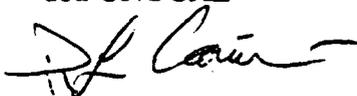
Union Oil Company of California (UNOCAL) has requested permission from the New Mexico Oil Conservation Division to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following wells in Rio Arriba County, New Mexico:

| <u>WELL</u> | <u>LOCATION</u> | | |
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| Rincon Unit No. 133E | 790' FNL, | 445' FWL | Sec. 14, T27N, R7W |
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If you have any objections to this proposal, please notify the NMOCD within twenty (20) days. If you have any questions about this application, please contact Dana Delventhal at (505) 632-1811.

Sincerely,

Union Oil Company of California
dba UNOCAL



Bob Caine
Field Foreman

UNOCAL 76

June 28, 1994

Amoco Production Company
P. O. Box 800
Denver, CO 80201

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Union Oil Company of California
dba UNOCAL



Bob Caine
Field Foreman

UNOCAL 76

June 28, 1994

Caulkins Oil Company
1997 East Blanco Blvd.
Bloomfield, NM 87413

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Union Oil Company of California
dba UNOCAL



Bob Caine
Field Foreman

UNOCAL 76

June 28, 1994

Meridian Oil, Inc.
P. O. Box 4289
Farmington, NM 87499

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