

Date: \_\_\_\_\_

Number of pages including cover sheet: \_\_\_\_\_

To: \_\_\_\_\_

Mike Stogner

Phone: \_\_\_\_\_

Fax phone: \_\_\_\_\_

CC: \_\_\_\_\_

From: \_\_\_\_\_

Mike Phillips

Phone: \_\_\_\_\_

Fax phone: \_\_\_\_\_



URGENT



FYI ONLY

REMARKS:

Thank You



NM Oil Conservation Division  
1000 Rio Brazos Rd  
Aztec, NM 87410

July 11, 2000

Subject:  
Non standard location  
Rincon Unit #155m  
Rio Arriba County, NM

Sirs:

Union Oil Company of California (Unocal) is making application to drill the Rincon Unit #155m. The proposed well is to be a Dakota - Mesa Verde commingle, the Dakota being a 160 acre well and the Mesa Verde an 80 acre infill. The proposed location is a non standard location per Dakota Field rules.

We are requesting approval of the non standard location due to topographic restrictions and because of Archeological restraints. A large canyon runs directly down the center of section 17 making it physically impossible to drill an orthodox location. The only option available to gain topographic relief as well as maintain sufficient distance from offset wellbores (see attached calculation sheet) is to move the location North-East towards the proration unit boundaries.

Should you have any questions in regards to this request please contact Mike Phillips (505) 632-1811.

Very truly yours,

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

A handwritten signature in black ink, appearing to read "Mike Phillips", is written over the typed name.

Mike Phillips  
Drilling Foreman

cc: Jim Lavato (BLM)

Well Name: 155m - section 17

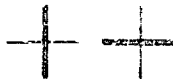
1) location picked by field rules (790' fl boundary &amp; 130' fl 1/4 section)



| Mesa Verde:    | well #   | F/ EW |       | F/ NS |       | EW   |      | Dist to<br>Infill | closest<br>well |
|----------------|----------|-------|-------|-------|-------|------|------|-------------------|-----------------|
|                |          | F/ EW | F/ NS | F/ EW | F/ NS | EW   | NS   |                   |                 |
| NW / 4         | 79       | 1747  | 1516  | 790   | 790   | 857  | 2308 | 2,497             |                 |
| SW / 4         | 81a      | 1800  | 1500  | 790   | 790   | 810  | 710  | 1,077             | <<<             |
| SE / 4         | 21       | 1180  | 800   | 790   | 790   | 1880 | 200  | 1,880             |                 |
| NE / 4         | 21a      | 845   | 1470  | 790   | 790   | 1635 | 2200 | 2,789             |                 |
| <b>Dakota:</b> |          |       |       |       |       |      |      |                   |                 |
| NW / 4         | 181      | 1840  | 1160  | 790   | 790   | 850  | 1880 | 2,155             |                 |
| SW / 4         |          | na    | na    |       |       |      |      |                   |                 |
| SE / 4         | 158      | 1050  | 1550  | 790   | 790   | 1840 | 780  | 1,931             | <<<             |
| NE / 4         | pos 179m | 2120  | 880   | 790   | 790   | 2910 | 1780 | 3,411             |                 |

Well Name: 155m - lay down Dk  
2) optimize spacing

Legal location:

2140 FSL  
500 FEL  
sec 17This is an unorthodox location.  
Original location moved due to spacing.

| Mesa Verde:    | well #   | F/ EW |       | F/ NS |       | EW   |      | Dist to<br>Infill | closest<br>well |
|----------------|----------|-------|-------|-------|-------|------|------|-------------------|-----------------|
|                |          | F/ EW | F/ NS | F/ EW | F/ NS | EW   | NS   |                   |                 |
| NW / 4         | 79       | 1747  | 1516  | 500   | 500   | 1247 | 2018 | 2,370             |                 |
| SW / 4         | 81a      | 1040  | 1500  | 500   | 500   | 540  | 1000 | 1,138             | <<<             |
| SE / 4         | 21       | 1180  | 800   | 500   | 500   | 1690 | 480  | 1,780             |                 |
| NE / 4         | 21a      | 845   | 1470  | 500   | 500   | 1345 | 1970 | 2,385             |                 |
| <b>Dakota:</b> |          |       |       |       |       |      |      |                   |                 |
| NW / 4         | 181      | 1000  | 1160  | 500   | 500   | 500  | 1890 | 1,762             | <<<             |
| SW / 4         |          | na    | na    |       |       |      |      |                   |                 |
| SE / 4         | 158      | 1050  | 1550  | 500   | 500   | 1550 | 1050 | 1,872             |                 |
| NE / 4         | pos 179m | 2120  | 880   | 500   | 500   | 2620 | 1480 | 3,014             |                 |

spacing.xls

**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**  
**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

|                                                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. TYPE OF WELL:<br>DRILL <input checked="" type="checkbox"/> CATERED <input type="checkbox"/><br>TYPE OF WELL:<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SPECIAL ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>                                                        |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>SF-076052<br>6. IF APPLICABLE, ALLOTTEE OR TRIBE NAME<br>7. UNIT AGREEMENT NAME<br>Rincon Unit<br>8. FARM OR LEASE NAME, WELL NO.<br>Rincon Unit 155M<br>9. API WELL NO.<br>n/a                                                                                                                                                                                                                                                                                                   |  |
| 2. NAME OF OPERATOR<br>Union Oil Company of California dba(Unocal)                                                                                                                                                                                                                                                                                                   |  | 10. FIELD AND HOLE OR CATALOG<br>Basin Dakota Mesa Verde<br>11. SEC., T., R., M. OR BLM AND COUNTY OR STATE<br>Sec. 17, T-27-N, R-6-W<br>12. COUNTY OR PARCEL<br>Rio Arriba<br>13. STATE<br>NM                                                                                                                                                                                                                                                                                                                           |  |
| 3. ADDRESS AND TELEPHONE NO.<br>P.O. Box 871, Midland TX<br>4. LOCATION OF WELL (Report location in detail and in accordance with any State requirements)<br>At surface 1640 FSL and 500' FEL<br>At proposed production point<br>South 1/2 Surface<br>14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE<br>40 miles Southwest from Bloomfield NM. |  | 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE FT. (Also include acreage and the BLM)<br>3342'<br>16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED OR A HOLE FOR ON THIS LEASE FT.<br>1782'<br>17. NO. OF ACRES IN LEASE<br>2645.00<br>18. PROPOSED DEPTH<br>7102'<br>19. NO. OF ACRES DESIGNATED TO THIS WELL<br>330<br>20. RENTAL OR CABLE TOOLS<br>Rotary<br>21. ELEVATIONS (Show whether OF, RT, OR)<br>(5500' OR)<br>22. APPROXIMATE WORK WILL START<br>JULY 15, 2000 |  |

**PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT                |
|--------------|-----------------------|-----------------|---------------|-----------------------------------|
| 12-1/4"      | H-40 9-5/8"           | 30.00           | 550'          | 200 SACKS TYPE G TOG @ SURFACE    |
| 8-3/4"       | H-55 7"               | 20.00           | 2500'         | 100 SACKS TYPE G TOG @ SURFACE    |
| 6-1/4"       | H-80 4-1/2"           | 11.00           | 7700'         | 3 SACKS SAGS TYPE G TOG @ SURFACE |

**"Expenditure APD/ROW"**

Unocal plans to drill the Rincon Unit 155M, and complete in the Mesa Verde and the Basin Dakota and downhole commingling the two formations.

BOP - One double gate BOP with 3 1/2" pipe and blind rams, one choke manifold with adjustable and positive chokes, an accumulator will hydraulically operate BOP with 1 1/2 times the necessary capacity to close the rams and retain a minimum of 300 psi above recharge. Rotating head will be utilized during the drilling of one 6-1/4" hole (Schematics are attached)

We will have a fire suppression system in place, in the event that we have to flare while drilling the production hole.

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen, give data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

RECEIVED: 7/15/00 TITLE: PERMAN ROCKY MOUNTAIN DRILLING FOREMAN DATE: 05/14/00  
 (This space for Federal or State Office Use)

PERMITTED: \_\_\_\_\_ APPROVAL DATE: \_\_\_\_\_

Application approved does not warrant or certify that the applicant meets legal or suitable use to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

\*See Instructions On Reverse Side

Under 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1600 Rio Brazos Rd., Artesia, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

|               |                                 |           |              |
|---------------|---------------------------------|-----------|--------------|
| API Number    |                                 | Post Code | Post Name    |
|               |                                 | 71599     | Basin Dakota |
| Property Code | Property Name                   |           | Well Number  |
| 011510        | RINCON UNIT                     |           | 155M         |
| GRID No.      | Operator Name                   |           | Elevation    |
| 023708        | UNION OIL COMPANY OF CALIFORNIA |           | 6574         |

#### 10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| I             | 17      | 27 N     | 6 W   |         | 1940          | South            | 500           | East           | Rio Arriba |

#### 11 Bottom Hole Location If Different From Surface

| UL or lot no.   | Section         | Township           | Range     | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
|                 |                 |                    |           |         |               |                  |               |                |        |
| Dedicated Acres | Julat or Infill | Consolidation Code | Order No. |         |               |                  |               |                |        |
| 320             |                 |                    |           |         |               |                  |               |                |        |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <h4>17 OPERATOR CERTIFICATION</h4> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <u>Mike Phillips</u></p> <p>Printed Name: <u>Mike Phillips</u></p> <p>Rky Mtn/Perm Basin Drlg Foreman</p> <p>Title: <u>05/10/00</u></p> <p>Date: <u>05/10/00</u></p>                                                                                                                 |  |
|  | <h4>18 SURVEYOR CERTIFICATION</h4> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: <u>05/10/00</u></p> <p>Signature: <u>William A. Phillips</u></p> <p>Printed Name: <u>William A. Phillips</u></p> <p>Title: <u>Surveyor</u></p> <p>Certificate Number: <u>8466</u></p> |  |

New Mexico Oil Conservation Division

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Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

|                 |                                 |             |                   |
|-----------------|---------------------------------|-------------|-------------------|
| * AIT Number    |                                 | * Post Code | * Pool Name       |
|                 |                                 | 72319       | Blanco Mesa Verde |
| * Property Code | * Property Name                 |             | * Well Number     |
| 011510          | RINCON UNIT                     |             | 155M              |
| * OGRID No.     | * Operator Name                 |             | * Elevation       |
| 023708          | UNION OIL COMPANY OF CALIFORNIA |             | 6574              |

#### 10 Surface Location

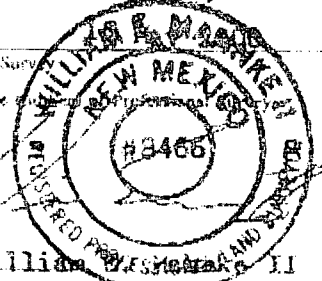
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| I             | 17      | 27 N     | 6 W   |         | 1940          | South            | 500           | East           | Rio Arriba |

#### 11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                   |                   |                      |             |
|-------------------|-------------------|----------------------|-------------|
| * Dedicated Acres | * Jutot or Infill | * Consolidation Code | * Order No. |
| 320               |                   |                      |             |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

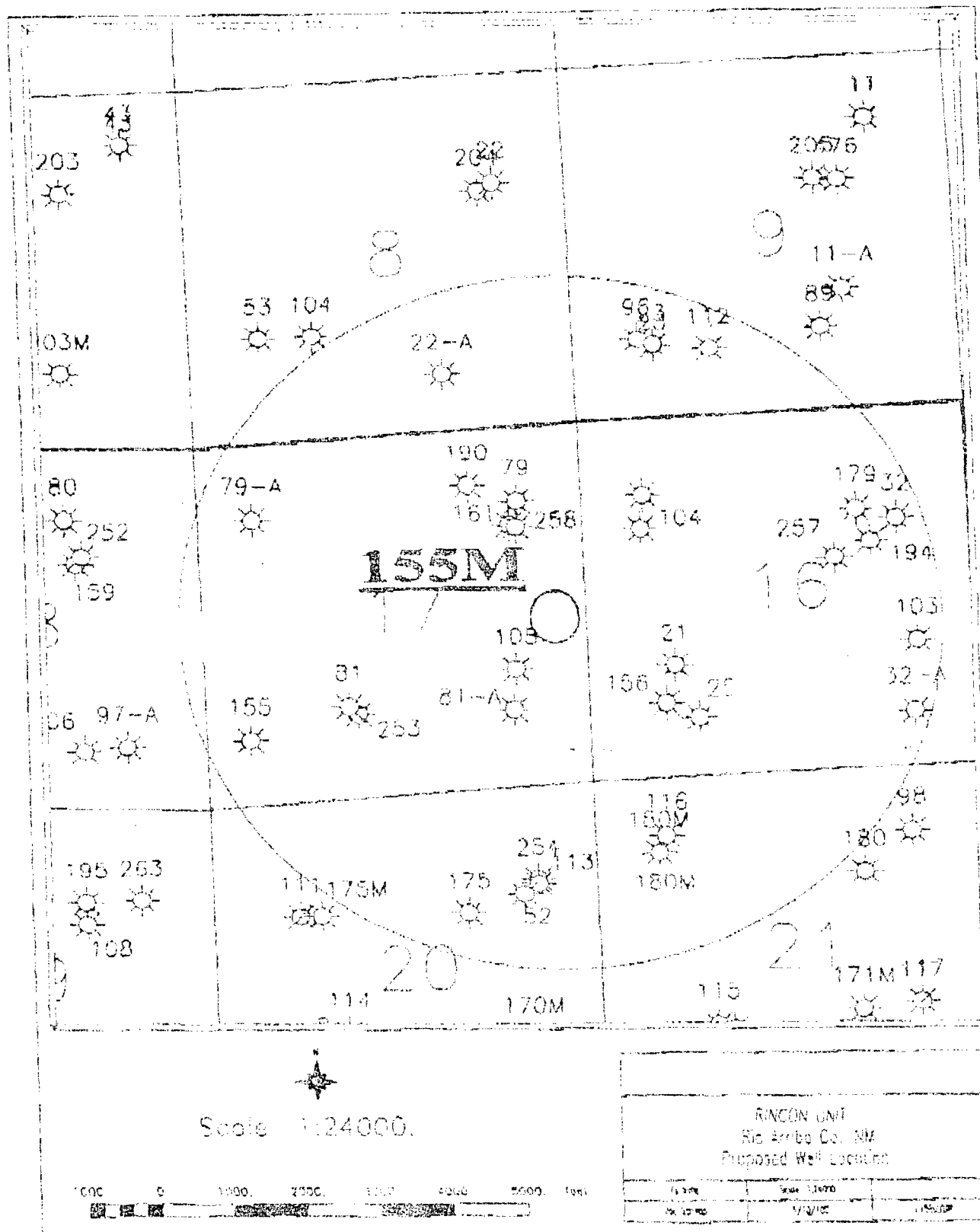
|                                                                            |                |                                                                                                                                                                                                                                            |  |
|----------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 16<br>588°28'W<br>30.546m.<br>588°28'W<br>30.546m.<br>587°53'W<br>79.746m. | 17<br>79.746m. | 17 OPERATOR CERTIFICATION<br>I hereby verify that the information contained herein is true and complete to the best of my knowledge and belief.                                                                                            |  |
|                                                                            |                | Signature: <i>Mike Phillips</i><br>Printed Name: Mike Phillips<br>Title: Rky Mtn/Perm Basin Drlg Foreman<br>Date: 05/16/00                                                                                                                 |  |
|                                                                            |                | 18 SURVEYOR CERTIFICATION<br>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. |  |
|                                                                            |                | Date of Survey: _____<br>Signature: _____<br><br>William B. Markee, II<br>Certificate Number: 8466                                                    |  |

New Mexico Oil Conservation Division

1650' FSL  
940' FEL

UNION OIL COMPANY OF CALIFORNIA  
RINCON UNIT #155M  
1940' FSL & 500' FEL  
Sec. 17, T27N, R6W, NMPM  
Rio Arriba Co., NM

ENCINADA



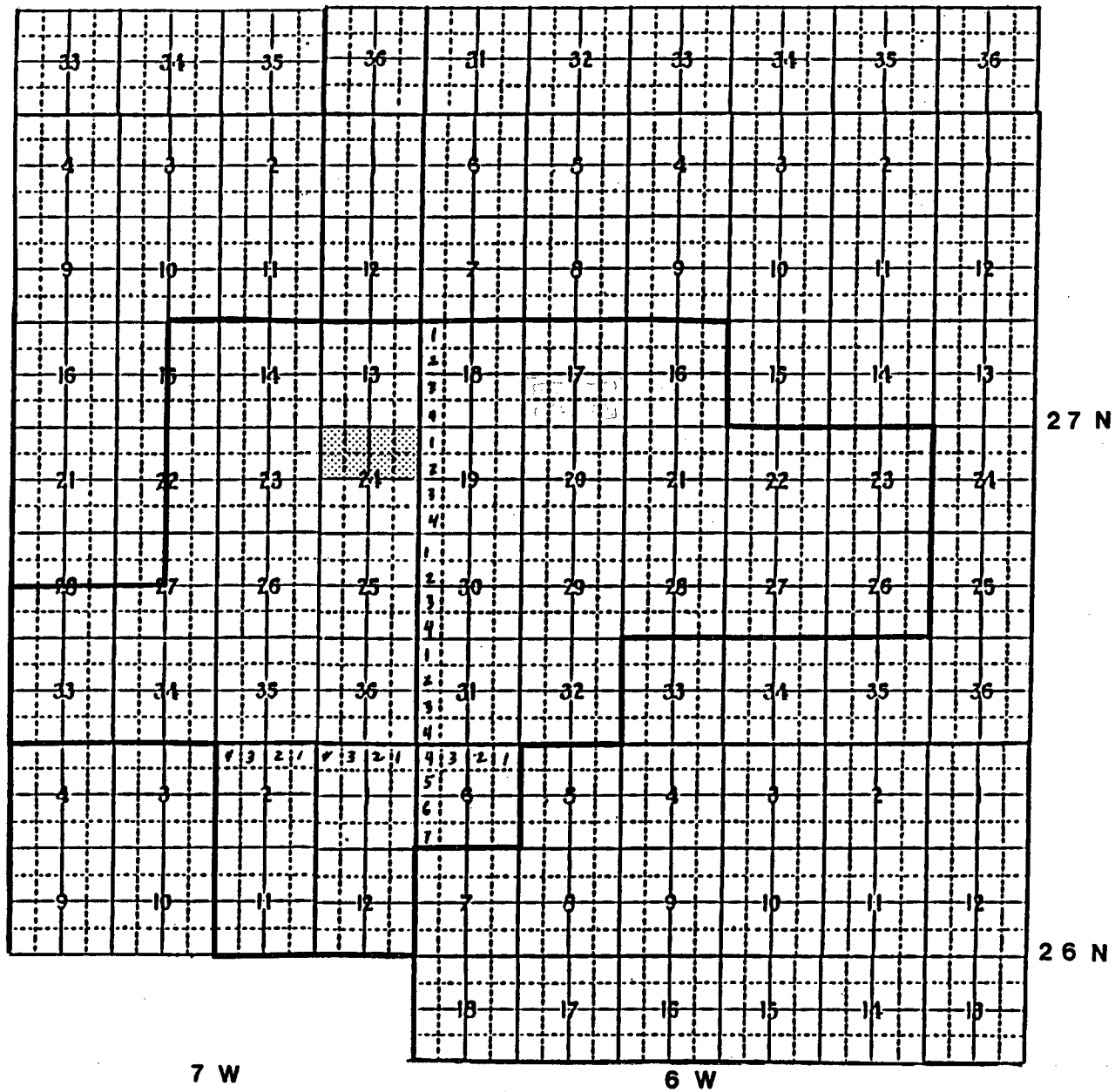
# RINCON

RIO ARriba COUNTY

NEW MEXICO

No. I-SEC. No. 916

EFFECTIVE 2-27-52



**gulram, inc.**

petroleum engineering and government regulation consultants