

UNOCAL 

*Received in
Santa Fe
3/10/94*

January 26, 1994

State of New Mexico
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attention: Ernie Busch

Dear Mr. Busch:

Union Oil Company of California (UNOCAL) requests permission for a nonstandard Tocito location for our Rincon Unit No. 150E well, located 790' FNL & 790' FWL, Section 6, T26N, R6W, Rio Arriba County, New Mexico.

This well is a proposed dual Basin Dakota/South Blanco Tocito well that does not conform, as staked, to a "standard" Tocito location. While this is a "legal" Dakota location (the Dakota being the deepest and primary zone of interest), it does not conform to the narrow window of a "legal" Tocito well. It is not feasible to move the proposed location to the SE to conform to a "legal" Tocito location due to the surrounding topography. See attachments.

There are no offset lease owners.

If you have any questions, please contact me at (307) 234-1563, ext. 116. Thank you for your help in this matter.

Sincerely,



Jim Benson
Drilling Superintendent

Attachments
JBB:co

RECEIVED

JAN 31 1994

OIL CON. DIV.
DIST. 3

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

RECEIVED

JAN 31 1994

OIL CON. DIV
 DIST. 3

DISTRICT I
 P.O. Box 1790, Hobbs, NM 88240

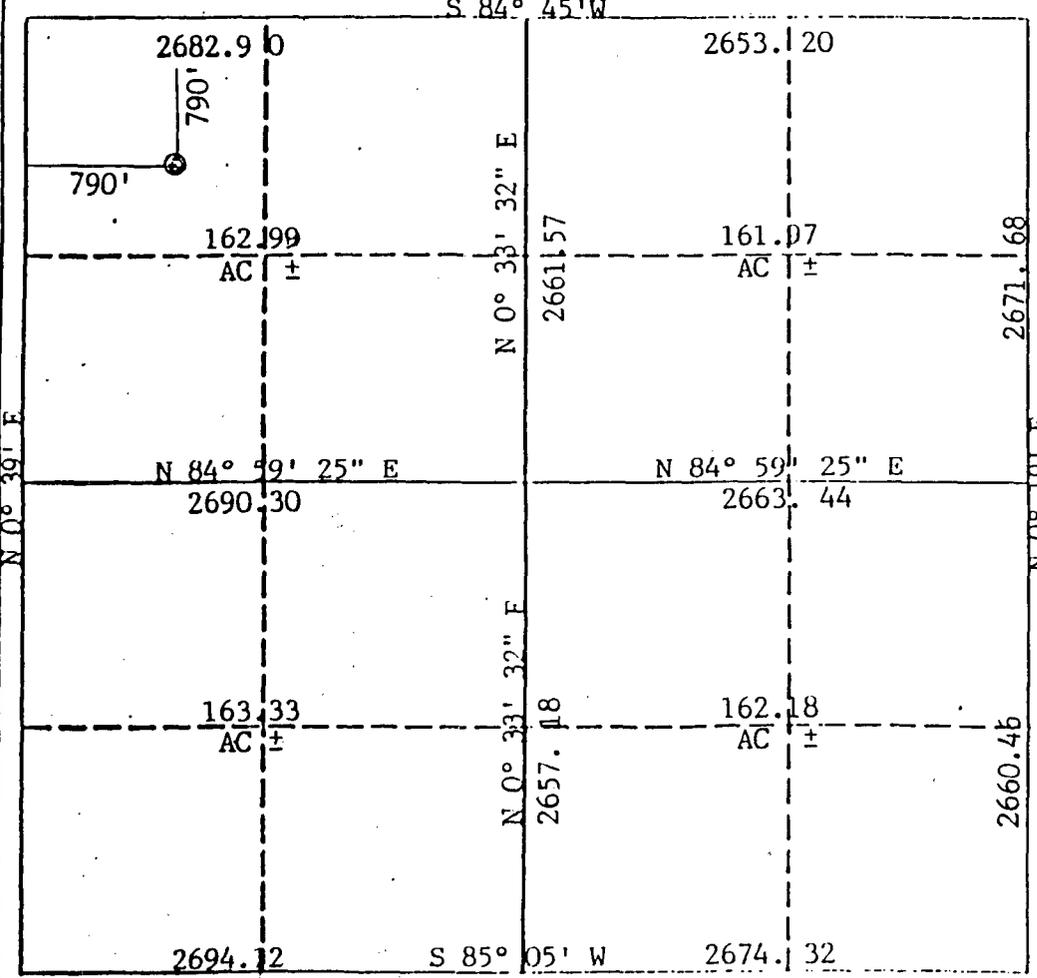
DISTRICT II
 P.O. Box 8800, Artesia, NM 88210

DISTRICT III
 1000 S. Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator UNOCAL			Lease RINCON			Well No 150-E		
Unit Letter D.	Section 6	Township 26N	Range 6W	County NMPM	County Rio Arriba			
Actual Footage Location of Well:								
790 feet from the North line and			790 feet from the West line			Dedicated Acreage:		
Ground level Elev. 6700			Producing Formation			Pool		

- Outline the acreage dedicated to the subject well by colored pencil or lecture marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force pooling, etc?
 - Yes No If answer is "yes" type of consolidation
- If answer is "no" list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary).
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

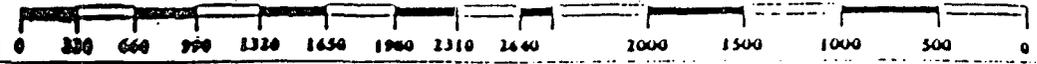
Signature: *Jim Beuson*
 Printed Name: **Jim Beuson**
 Position: **Drilling Superintendent**
 Company: **Union Oil Co.**
 Date: **1/12/94**

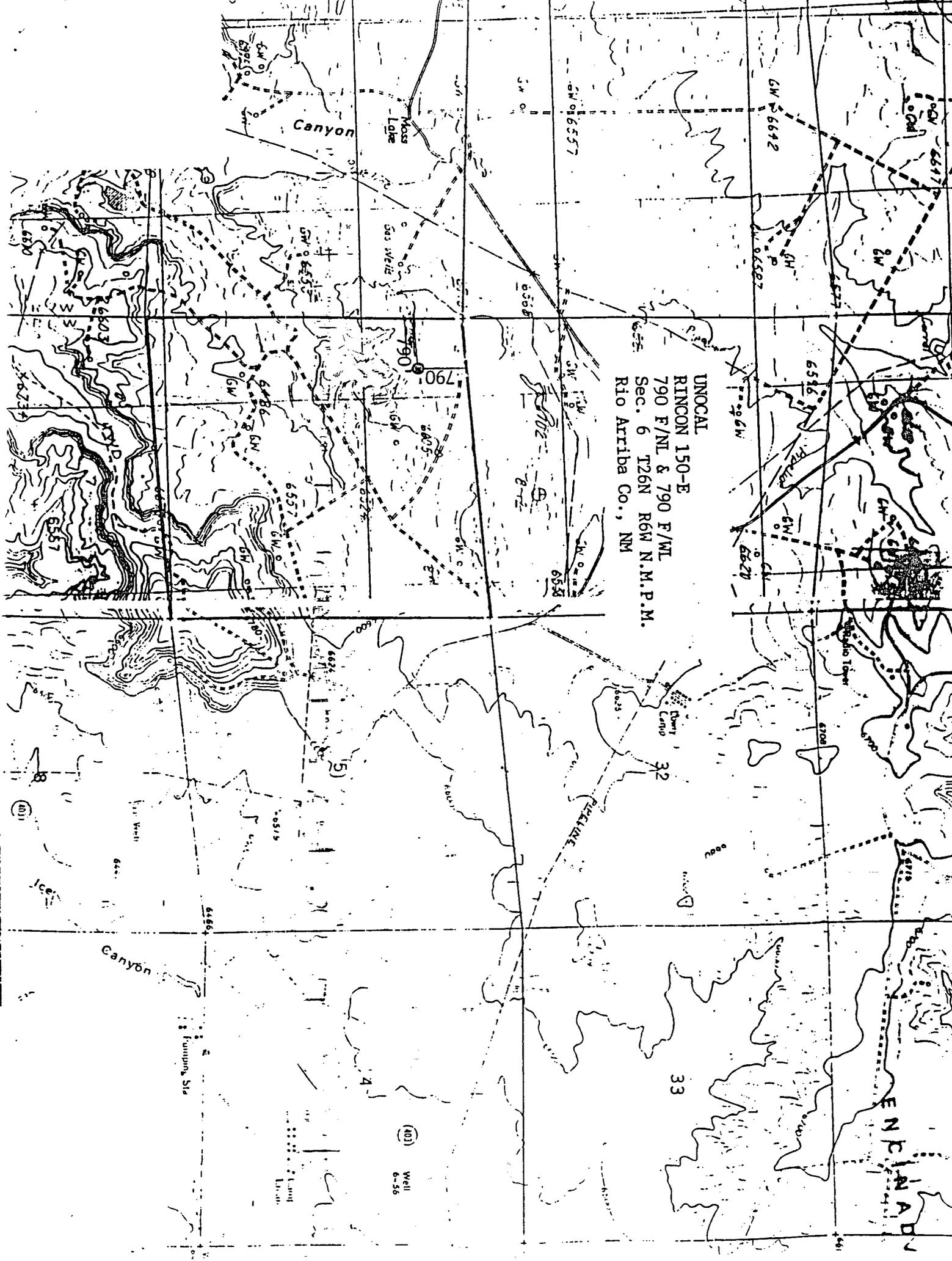
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed: **September 20, 1993**
 Signature & Seal of Professional Surveyor: *Cecil B. Tullis*
 Restake: **January 11, 1994**

Cecil B. Tullis
 Certificate No. **96**
 PROFESSIONAL LAND SURVEYOR





UNOCAL
RINCON 150-E
790 F/NL & 790 F/WL
Sec. 6 T26N R6W N.M.P.M.
Rio Arriba Co., NM

Canyon

Moose Lake

Sas Weitz

Cherry Camp

Furnace Site

ENCLINAD

(103) Well 6-56

(5)

32

33

GW 6557

GW 6642

GW 6533

790

790

6538

6708

Canyon

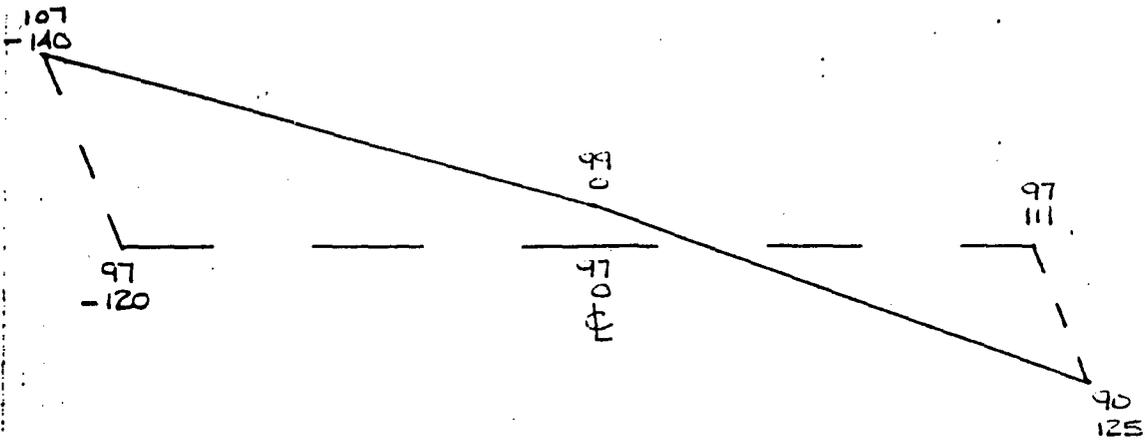
Land

Scale: Horz. 1" = 50'
Vert. 1" = 10'

RINCON 150-E

ZERO CUT/FILL

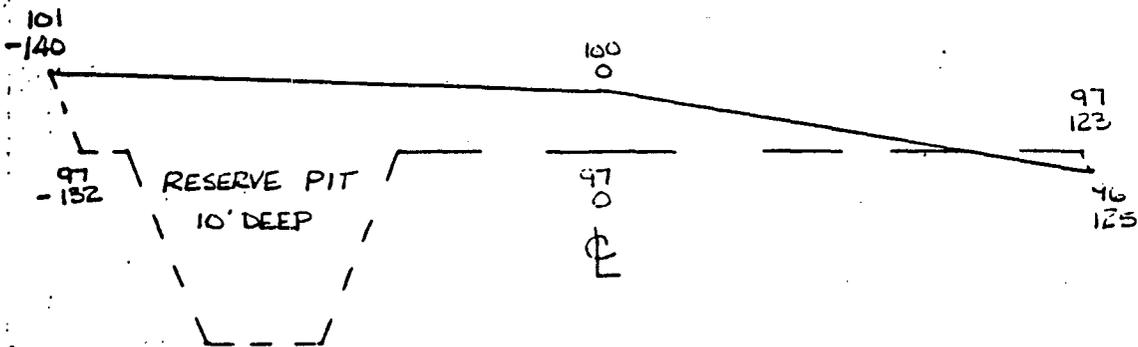
0+00



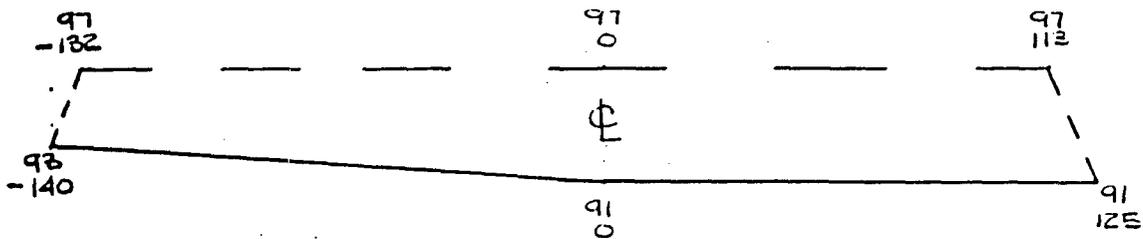
0+06

X-SECTIONS AND VOLUMES

1+25



2+95



CUT.....5067 CU YDS.
 FILL.....5283 CU YDS.
 PIT EXCAVATION.....1699 CU YDS.

ZERS CUT/FILL

3+00

Gold Pass Rd

ION UNIT

RINGSON UNIT

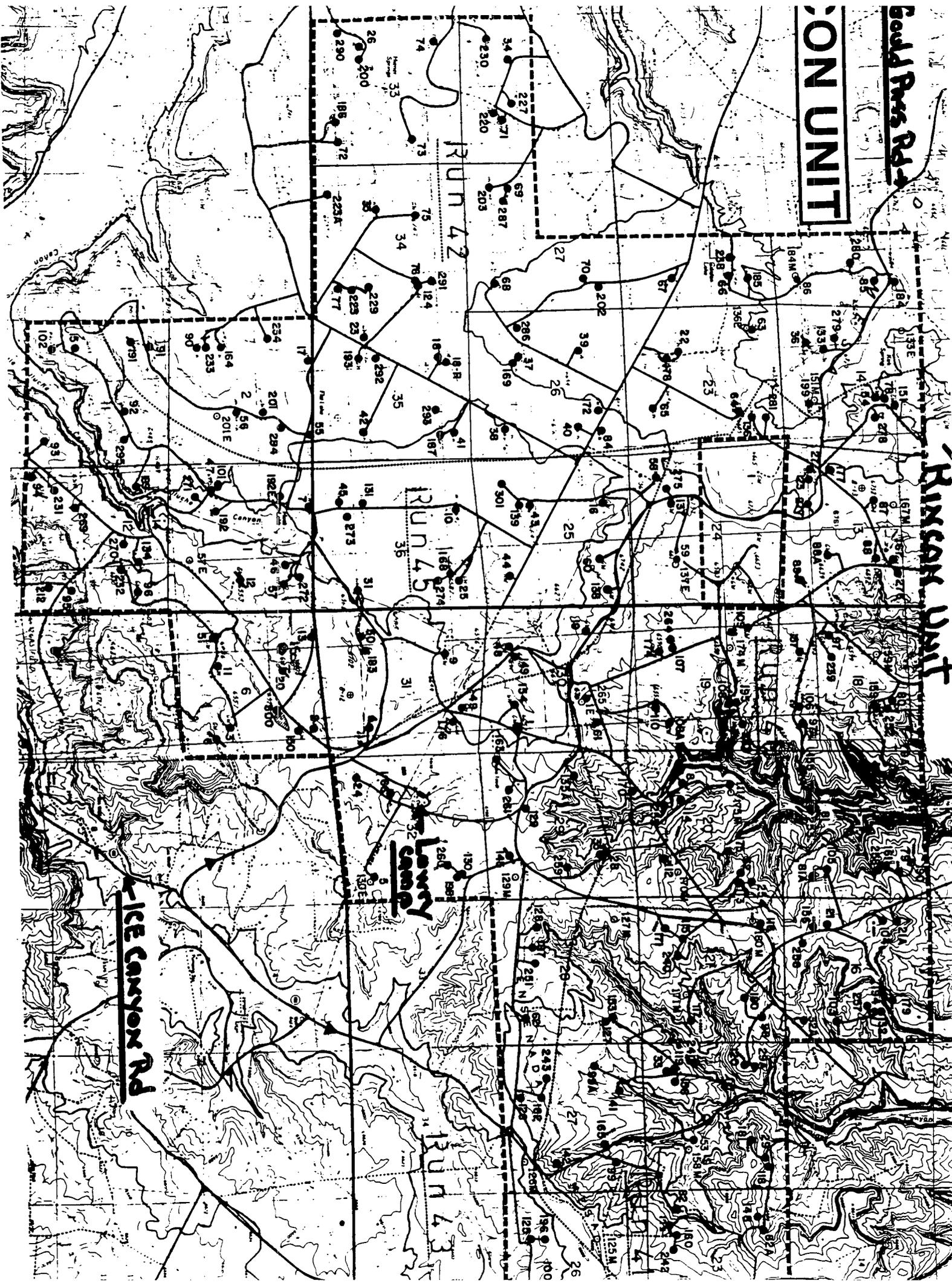
RUN 42

RUN 45

Larry Lane

RUN 43

ICE CANYON Rd



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

February 15, 1994

UNOCAL Oil and Gas Division
P.O. Box 2620
Casper, WY 82602-2620

Attention: Jim Benson, Drilling Superintendent

RE: Rincon Unit Well Nos. 11E, 150E and 130F.

Dear Mr. Benson:

The attached letters were forwarded to the Santa Fe office of the Division by our district office in Aztec. Since these copies do not constitute a proper filing with the Division for an exception to the applicable rules for the South Blanco-Tocito Oil Pool, they are being returned to you at this time. I am including copies of Order No. R-1191, Memorandum No. 1-90, Memorandum No. 4-86, and Division General Rule 104(F) for your information and use as a guide in making a proper application.

Once UNOCAL submits a proper filing with all the necessary attachments, the Division can then begin processing these requests.

If you should have any questions regarding these filings, please contact me at (505) 827-5811.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - Aztec

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: UNOCAL OIL & GAS DIVISION (NSL)
Date: Tue, Feb 15, 1994 8:38AM

WELL NAME: RINCON #150E
WELL LOCATION: D-06-26N-06W
FOOTAGE CALL: 790' FNL; 790' FWL
RECOMMEND: APPROVAL

SOUTH BLANCO-TOCITO POOL
(Formerly the Pettigrew-Tocito Pool)
Rio Arriba County, New Mexico

Order No. R-1191, Adopting Rules for the South Blanco-Tocito Pool, Rio Arriba County, New Mexico, June 10, 1958, as Amended by Order No. R-1191-A, May 21, 1959, Order No. R-2186, February 14, 1962, and Order No. R-1191-C, February 5, 1964.

Order No. R-1191 supersedes Order No. R-326, May 26, 1953, as Amended by Order No. R-1104, December 14, 1957, Order No. R-1144, March 25, 1958.

Application of Caulkins Oil Company to amend the special pool rules for the South Blanco-Tocito Oil Pool, Rio Arriba County, New Mexico.

CASE NO. 1420
Order No. R-1191

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on April 16, 1958, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 10th day of June, 1958, the Commission, a quorum being present, having considered the application and the evidence adduced, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Caulkins Oil Company, is the operator of a water injection project in the South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico.

(3) That the applicant proposes that the Special Rules and Regulations for the South Blanco-Tocito Oil Pool as promulgated by Order No. R-326, dated May 26, 1953, and by Commission Order No. R-1144, dated March 25, 1958, be amended to provide for a system of transferring allowables within said water injection project and to provide credit against gas-oil ratio limitations for net water injected into the reservoir.

(4) That amendment of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool to provide that allowables may be transferred from injection wells to other producing wells within the water injection project will not impair correlative rights.

(5) That production from any one well within the water injection project should be limited to twice the top unit allowable or three hundred (300) barrels a day, whichever is greater.

(6) That in order to prevent the waste of casinghead gas, a no-flare order should be entered for the South Blanco-Tocito Oil Pool, effective October 1, 1958.

(7) That the Rules and Regulations for the South Blanco-Tocito Oil Pool, as set forth in Commission Order No. R-326, dated May 26, 1953, and Commission Order No. R-1144, dated March 25, 1958, should be superseded by this order so as to consolidate all Special Rules and Regulations for the South Blanco-Tocito Oil Pool and for the South Blanco-Tocito Water Injection Project in one order.

(8) That the findings of the Commission, as recited in Commission Order R-326 and Commission Order R-1144, should be incorporated by reference in this order.

IT IS THEREFORE ORDERED:

(1) That the findings of the Commission, as recited in Commission Order R-326 and Commission Order R-1144, be and the same are hereby incorporated by reference in this order.

(2) That the Rules and Regulations for the South Blanco-Tocito Oil Pool as set forth in Commission Order R-326, dated May 26, 1953, and Commission Order R-1144, dated March 25, 1958, be and the same are hereby superseded.

(3) That Special Pool Rules for the South Blanco-Tocito Pool, Rio Arriba County, New Mexico, be and the same are hereby promulgated as follows, effective July 1, 1958:

**SPECIAL RULES AND REGULATIONS
FOR THE SOUTH BLANCO-TOCITO OIL POOL**

RULE 1. Any well drilled to or completed in the Tocito formation within one mile of the boundaries of the South Blanco-Tocito Oil Pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. All wells projected to or completed in the South Blanco-Tocito Oil Pool shall be located on a tract containing 80 acres, more or less, comprising the East half, West half, North half, or South half of the governmental quarter section in which the well is located. Allowables for wells located on such 80-acre tracts shall be assigned in accordance with the 80-acre proportional factor for pools in the 6000 to 7000-foot depth range. Wells located on tracts comprising less than 80 acres shall be assigned an allowable which shall bear the same proportion to the standard 80-acre allowable that the acreage assigned to such well bears to 80 acres.

RULE 3. All wells hereafter projected to or completed in the South Blanco-Tocito Oil Pool shall be located in the center of the Northwest quarter or the Southeast quarter of a governmental quarter section, with a tolerance of 100 feet in any direction to avoid surface obstructions.

RULE 4. That all wells hereafter projected to or completed in the South Blanco-Tocito Oil Pool shall be cased in accordance with the following casing rules:

(a) The surface casing shall consist of new or reconditioned pipe with an original mill test of not less than 1000 pounds per square inch, and at least one string of surface casing shall be set at a depth sufficient to protect all potable water-bearing strata encountered, and not less than 450 feet below the surface of the ground. Sufficient cement shall be used to fill the annular space back of the pipe to the bottom of the cellar. Cement shall be allowed to stand a minimum of 24 hours before initiating tests. Before drilling the plug a pump pressure of at least 600 pounds per square inch shall be applied. If at the end of 30 minutes the pressure shows a drop of 100 pounds per square inch, or more, the casing shall be condemned, subject to corrective operations and further testing.

(b) The producing oil string shall consist of new or reconditioned pipe with an original mill test of not less than 2100 pounds per square inch. The producing string shall be set and cemented with sufficient cement to fill the calculated annular space behind the pipe to a minimum of 1000 feet above the guide shoe. Cement shall be allowed to stand a minimum of 72 hours before initiating tests. Before drilling the plug a pump pressure of at least 600 pounds per square inch shall be applied.

(SOUTH BLANCO-TOCITO (FORMERLY THE PETTIGREW-TOCITO POOL) POOL - Cont'd.)

If at the end of 30 minutes the pressure shows a drop of 100 pounds per square inch, or more, the casing shall be condemned, subject to corrective operations and further testing.

RULE 5. (As Amended by Order No. R-2186, February 14, 1962.) Upon completion of any well in the South Blanco-Tocito Oil Pool and annually, during the month of October, a bottom-hole pressure test shall be made and a report thereof filed with the Commission on Commission Form C-124. Bottom-hole pressures shall be taken in accordance with the provisions of Rule 302 of the Commission Rules and Regulations except that wells shall remain shut-in for a minimum of 72 hours prior to testing. Tests shall be corrected to a reservoir datum plane of minus one hundred feet (-100).

RULE 6. Upon completion of any well in the South Blanco-Tocito Oil Pool and semi-annually during the months of April and October, a gas-oil ratio test shall be made and a report thereof filed with the Commission on Commission Form C-116.

RULE 7. Prior to making tests required in Rules 5 and 6 above, each operator in the South Blanco-Tocito Oil Pool shall notify all other operators in the pool, as well as the Commission of the time such tests are to be conducted. Tests may be witnessed by representatives of the other operators and the Commission, if they so desire.

RULE 8. The limiting gas-oil ratio for the South Blanco-Tocito Oil Pool shall be two thousand (2000) cubic feet of gas for each barrel of oil produced.

RULE 9. No casinghead gas produced from any well completed in the South Blanco-Tocito Oil Pool shall be flared or vented after October 1, 1958.

RULE 10. All wells drilled to and completed in the South Blanco-Tocito Oil Pool prior to May 26, 1953, whose locations do not conform to the well spacing requirements of Rule 3 above are excepted from the requirements of said Rule and their locations are hereby approved as unorthodox well locations. This approval shall apply to the following wells:

	Well No.	Unit	Sec.	Twp.	Rge.
Caulkins Oil Company	T-132	A	9	26N	6W
Caulkins Oil Company	T-134	C	10	26N	6W
Caulkins Oil Company	T-157	E	10	26N	6W
Caulkins Oil Company	T-182	K	10	26N	6W
Caulkins Oil Company	T-207	O	10	26N	6W

RULE 11. In addition to the above Rules for the South Blanco-Tocito Oil Pool, the following Rules shall apply to the operation of all wells completed in the Tocito formation and located within the South Blanco Water Injection Project Area, hereinafter referred to as the "Project."

(a) 1. (As Amended by Order No. R-1191-A, May 21, 1959, and Order No. R-1191-C, February 5, 1964.) The project area shall comprise that area described as follows:

T-26-N, R-6-W S/2 SW/4 Sec. 3; S/2 Sec. 4; S/2 S/2 Sec. 5; Sec. 6; NE/4 Sec. 7; N/2 Sec. 8; N/2, N/2 S/2 Sec. 9; N/2, N/2 SW/4, SE/4 Sec. 10; Secs. 11, 12; N/2 Sec. 13; N/2 Sec. 14.

2. Expansion of the project area to include additional acreage may be approved administratively by the Secretary-Director of the Commission for good cause shown. To obtain such approval, the project operator shall file proper application with the Commission, furnishing copies of said application to all interested parties. "Interested parties" are defined as being working interest owners and royalty owners within the project area and immediately offsetting it. The Secretary-Director may approve the expansion of the project area if, within 20 days after receiving the application, no objection is received from any interested party. The Secretary-Director may grant immediate approval provided waivers of objection are received from all interested parties.

(b) The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut-in or are used as water injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

(c) Allowables for water injection wells may be transferred to producing wells within the project area, as may be the allowables for producing wells which, in the interest of more efficient operation of the Project, are shut-in or are curtailed in their rate of production.

(d) The project allowable may be produced from any well or wells in the project area in any proportion, provided said rate of production is consistent with efficient operation of the Project and provided further, that no well shall produce in excess of two times the top unit allowable for the South Blanco-Tocito Oil Pool, or 300 barrels per day, whichever is greater.

(e) The allowable assigned to any water injection well, which is to be transferred to any other well or wells in the Project area for production, shall in no event exceed the producing capacity of the well prior to conversion to water injection, as determined by the average daily rate of production during the last three months the well was produced prior to such conversion.

Conversion of producing wells to water injection, as abandonment of said producing wells is necessitated by water encroachment, shall be made only after approval of such conversion by the Secretary-Director of the Commission. To obtain such approval, the Project operator shall file proper application for conversion with the Commission, providing copies of said application to all interested parties. The Secretary-Director may approve the conversion to water injection if, within 20 days after receiving the application, no objection to said conversion is received. The Secretary-Director may grant immediate approval provided waivers of objection are received from all interested parties.

(f) The allowable assigned to any well which is to be shut-in or curtailed and which is to be transferred from said well to any other well or wells in the project area shall in no event exceed the ability of the well to produce oil as determined by a 24-hour test at a stabilized rate of production, which shall be the final 24-hour period of a 72-hour test throughout which the well under test shall be produced in the same manner and at a constant rate. The project operator shall notify all other operators in the South Blanco-Tocito Oil Pool, as well as the Commission, of the time such tests are to be conducted. Tests may be witnessed by representatives of the other operators and the Commission, if they so desire.

(g) The allowable assigned to any well in the Project shall be based upon the ability of the well to produce oil and shall be subject to the limiting gas-oil ratio (2000 to 1) for the South Blanco-Tocito Oil

(SOUTH BLANCO-TOCITO POOL - Cont'd.)

Pool, except that credit for daily average net water injected into the Tocito formation through any injection well or wells located within the project area may be applied to any well or wells producing with a gas-oil ratio in excess of two thousand cubic feet of gas per barrel of oil. Total credit for net water injected in the project area shall be the gas equivalent volume of the daily average net water injected during a one-month period. The daily average gas equivalent of net water injected shall be computed in accordance with the following formula:

E-g: $(V-w \text{ inj} - V-w \text{ prod}) X$

$$5.61 \frac{\text{ft-3}}{\text{bbl}} \frac{X P-a X 520 \text{ degrees}}{15.025 \text{ } 625 \text{ degrees}} \frac{X 1}{Z}$$

where:

- E-g equals Average daily gas equivalent of net water injected
- V-w inj equals Average daily volume of water injected, barrels
- V-w prod equals Average daily volume of water produced, barrels
- P-a equals Average reservoir pressure at datum of -100 feet, psig \pm 11.5, as determined from most recent semi-annual survey.
- 15.025 equals Pressure base, psi
- 520 degrees equals Temperature base of 60 degrees F expressed as absolute temperature
- 625 degrees equals Reservoir temperature of 175 degrees F expressed as absolute temperature
- Z equals Supercompressibility factor for 0.7 gravity gas at average reservoir pressure, P-a, interpolated from supercompressibility tabulation below:

Pressure	Z	Pressure	Z
2000	0.845	1200	0.889
1900	0.849	1100	0.897
1800	0.853	1000	0.905
1700	0.857	900	0.914
1600	0.861	800	0.923
1500	0.865	700	0.932
1400	0.873	600	0.941
1300	0.881	500	0.950

Distribution of the total calculated average daily gas equivalent volume may be made to any well or wells with gas-oil ratios in excess of two thousand to one. The daily adjusted oil allowable for any such well receiving water injection credit shall be determined as follows:

Well's Adjusted equals $(\text{Top unit allowable} X 2000) \div \text{gas Allowable}$ equivalent volume assigned to well \div Well's gas-oil ratio

provided however, that in no event shall the gas equivalent volume assigned to a well be such as to cause the well's adjusted allowable to exceed the top unit allowable for the pool.

(h) Each month the project operator shall, within three days after the normal unit allowable for Northwest New Mexico has been established, submit to the Commission a South Blanco-Tocito Water Injection Project Operator's Report, on a form prescribed by the Commission, outlining thereon the data required, and requesting allowables for each of the several wells in the Project.

(i) The Commission shall, upon review of the report and after any adjustments deemed necessary, assign allowables to each well in the Project for the next succeeding month in accordance with these rules.

(j) The Special Rules and Regulations for the operation of wells in the project area shall prevail as against the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, if in conflict therewith.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

BISTI-LOWER GALLUP POOL
San Juan County, New Mexico

Order No. R-1069-B, Adopting Temporary Operating Rules for the Bisti-Lower Gallup Pool, San Juan County, New Mexico, January 17, 1958, as Amended by Order No. R-1069-F, June 1, 1973, and Order No. R-1069-G, March 23, 1976.

Order No. R-1069-D, February 2, 1959, makes permanent the rules adopted in Order No. R-1069-B.

Application of Sunray Mid-Continent Oil Company for an order extending the horizontal limits of the Bisti-Lower Gallup Oil Pool, in San Juan County, New Mexico, and temporarily establishing uniform 80-acre well spacing and promulgating special rules and regulations for said pool.

CASE NO. 1308
Order No. R-1069-B

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m., on September 18, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and that this cause came on for rehearing before the Commission, upon the petition of Sunray Mid-Continent Oil Company et al, at 9 o'clock a.m. on December 18, 1957 at Santa Fe, New Mexico.

NOW, on this 17th day of January, 1958, the Commission, a quorum being present, having considered the application, the petitions for rehearing, and the evidence adduced at both the original hearing and the rehearing and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Order No. R-1069 should be superseded by this order.

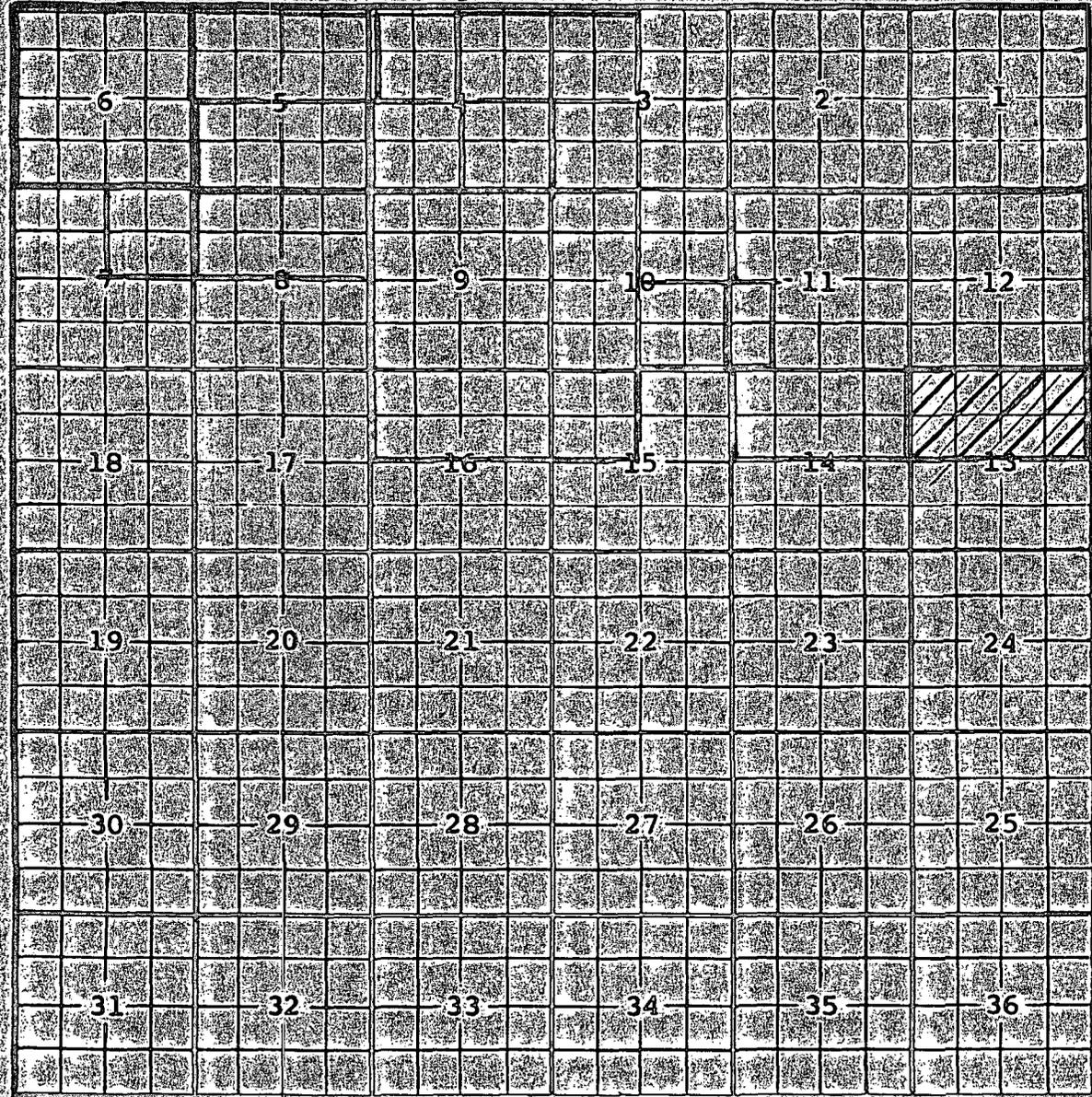
(3) That the Commission found in Order No. R-1069 that "... the Commission should continue to follow its established policy of extending the horizontal limits of oil and gas pools in the State of New Mexico to include only such acreage as has been proven productive by actual drilling operations."

(4) That the petitioners on rehearing failed to show cause why the Commission should deviate from the aforementioned policy in the Bisti-Lower Gallup Oil Pool.

(5) That sufficient evidence was adduced by the petitioners on rehearing, in addition to the evidence adduced at the original hearing, to justify the establishment of 80-acre proration units in the Bisti-Lower Gallup Oil Pool on a temporary basis.

County Rio Arriba Pool South Blanco-Tocito Oil

Township 26 North Range 6 West NMPM



Description: All Sec 9; $\frac{1}{2}$ Sec 10; $\frac{NW}{4}$ Sec 15; $\frac{1}{2}$ Sec 16 (R-132, 3-26-52)
Ext: $\frac{SW}{4}$ Sec 3; $\frac{SE}{4}$ Sec 4 (R-166, 6-19-52) - $\frac{SE}{4}$ Sec 10 (R-311, 4-10-53)
Pool Name Change (R-321) - $\frac{SW}{4}$ Sec 4 (R-366, 9-17-53)
- $\frac{1}{2}$ Sec 8 (R-394, 11-24-53) - $\frac{1}{2}$ Sec 5; All Sec 6 (R-406, 7-26-54)
- $\frac{NE}{4}$ Sec 7 (R-409, 3-31-54) - $\frac{1}{2}$ $\frac{SW}{4}$ Sec 11 (R-1239, 9-1-58) - $\frac{N}{2}$, $\frac{SE}{4}$, $\frac{E}{2}$, $\frac{SW}{4}$ Sec 11;
All Sec 12; $\frac{1}{2}$ Sec 13; $\frac{1}{2}$ Sec 14 (R-2858, 2-1-65)
Deletion: $\frac{1}{2}$ Sec 13 (R-3281, 8-1-67) Ext: $\frac{NW}{4}$ Sec 4 (R-7495, 4-5-84)
Ext: $\frac{NW}{4}$ Sec 3; $\frac{NE}{4}$ Sec 4 (R-8417, 3-24-87) Ext: $\frac{1}{2}$ Sec 5 (R-9982, 10-1-93)

Unocal Oil & Gas Division
Unocal Corporation
900 Werner Court, P.O. Box 2620
Casper, Wyoming 82602-2620
Telephone (307) 234-1563



February 18, 1994

State of New Mexico
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Gentlemen:

Union Oil Company of California (UNOCAL) requests permission for a nonstandard Tocito location for our Rincon Unit No. 150E well, located 790' FNL & 790' FWL, Section 6, T26N, R6W, Rio Arriba County, New Mexico.

This well is a proposed dual Basin Dakota/South Blanco Tocito well that does not conform, as staked, to a "standard" Tocito location. While this is a "legal" Dakota location (the Dakota being the deepest and primary zone of interest), it does not conform to the narrow window of a "legal" Tocito well. It is not feasible to move the proposed location to the SE to conform to a "legal" Tocito location due to the surrounding topography. See attachments.

There are no offset lease owners.

If you have any questions, please contact me at (307) 234-1563, ext. 116. Thank you for your help in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Jim Benson".

Jim Benson
Drilling Superintendent

Attachments

cc: Ernie Busch, Aztec, NM

JBB:co

REVISED 2/18/94

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF 07930	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR UNION OIL COMPANY OF CALIFORNIA		7. UNIT AGREEMENT NAME RINCON	
3. ADDRESS AND TELEPHONE NO. P. O. Box 2620, Casper, WY 82602 (307)234-1563, ext. 116		8. FARM OR LEASE NAME, WELL NO. RINCON	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 790' FNL & 790' FWL At proposed prod. zone Same		9. AP WELL NO. 150E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 25 miles SE of Blanco, New Mexico		10. FIELD AND POOL, OR WILDCAT Basin Dakota/South Blanco Tocito	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 790'	16. NO. OF ACRES IN LEASE 161.81	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 6, T26N, R6W	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 350'	19. PROPOSED DEPTH 7620'	12. COUNTY OR PARISH Rio Arriba	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6700' GR		13. STATE New Mexico	
22. APPROX. DATE WORK WILL START* 4/15/94		17. NO. OF ACRES ASSIGNED TO THIS WELL Dakota 320/Tocito 80	
20. ROTARY OR CABLE TOOLS Rotary		23. PROPOSED CASING AND CEMENTING PROGRAM	

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"-H-40	32.3#	450	± 250 sx class "B"
8 3/4"	7" - K-55	26# & 23#	± 7620'	2 stage w/DV tool @ ± 5000' 1st - Lead, ± 450 sxs "Lite"-tail 125 sxs Class B 2nd - Lead ± 750 sxs "Lite"-tail, 125 sxs Class B

Proposed Drilling Program:

Drill 12 1/4" hole to 450' w/spud mud. Run & cmt to surf. 9 5/8" csg. Nipple up & test BOPE. Drill 8 3/4" hole to ± 7620' -TD w/fresh water/gel mud system. Log & if productive, run & cmt 7" csg in 2 stages w/ "DV" tool at ± 5000'. Selectively perforate the Dakota and Tocito formations. Fracture stimulate both zones separately as required. Test and complete both zones separately w/packer and 2 3/8" tbg.

NOTE: Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Union Oil Company of California (BLM Bond # CA0048).

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

SIGNED Jim Benson TITLE Drilling Superintendent DATE 1/12/94
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 11-89

OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1900, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Santos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator UNOCAL			Lease RINCON		Well No 150-E
Unit Letter D-	Section 6	Township 26N	Range 6W	County MIAMI	Rio Arriba

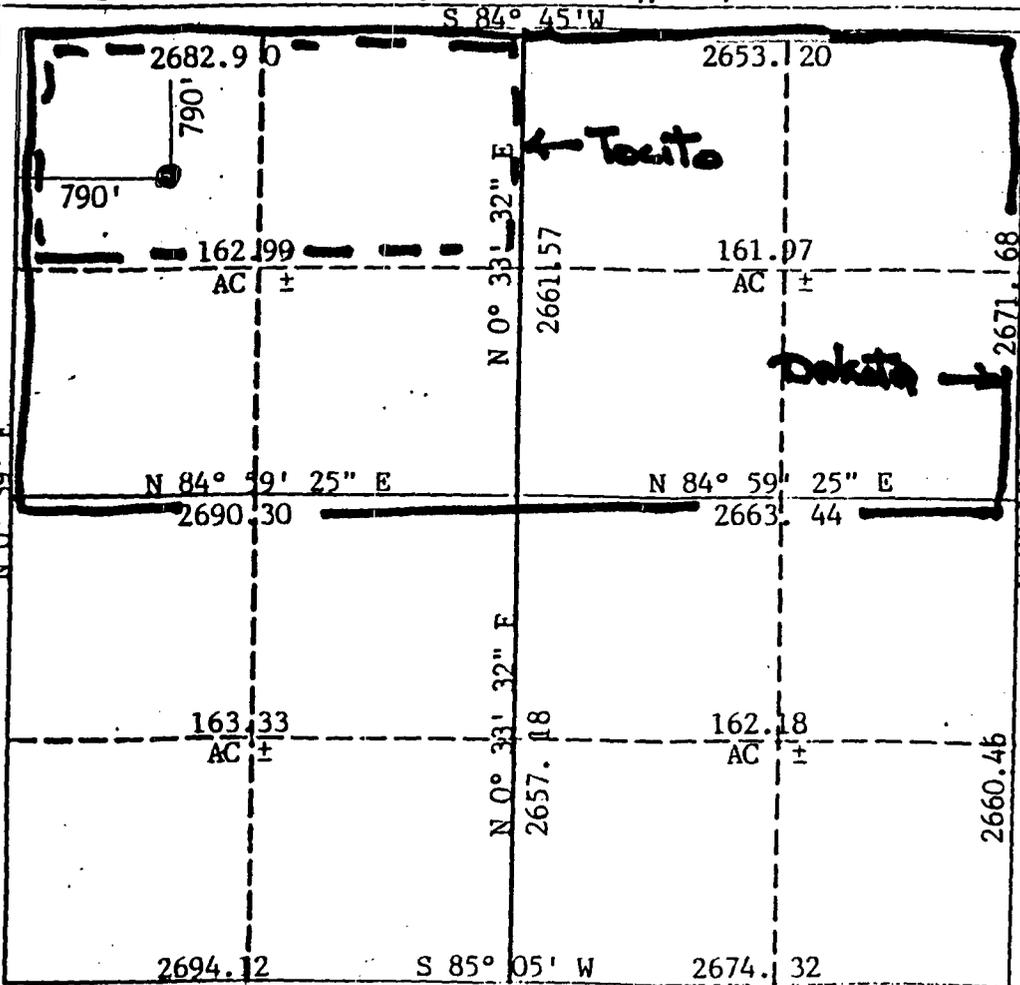
Actual Footage Location of Well:					
790 feet from the North line and		790 feet from the West line			
Ground level Elev. 6700	Producing Formation Dakota/Tocito		Pool Basin / South Blanco	Dedicated Acreage: Dakota - 320 ASIES Tocito - 80	

- Outline the acreage dedicated to the subject well by colored pencil or ballpoint marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force pooling, etc?

Yes No If answer is "yes" type of consolidation: unitization

If answer is "no" list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary).

No allowable will be assigned to this well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard well, eliminating such interest, has been approved by the Division.



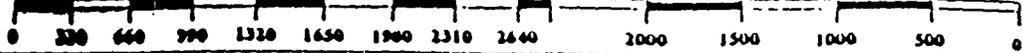
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

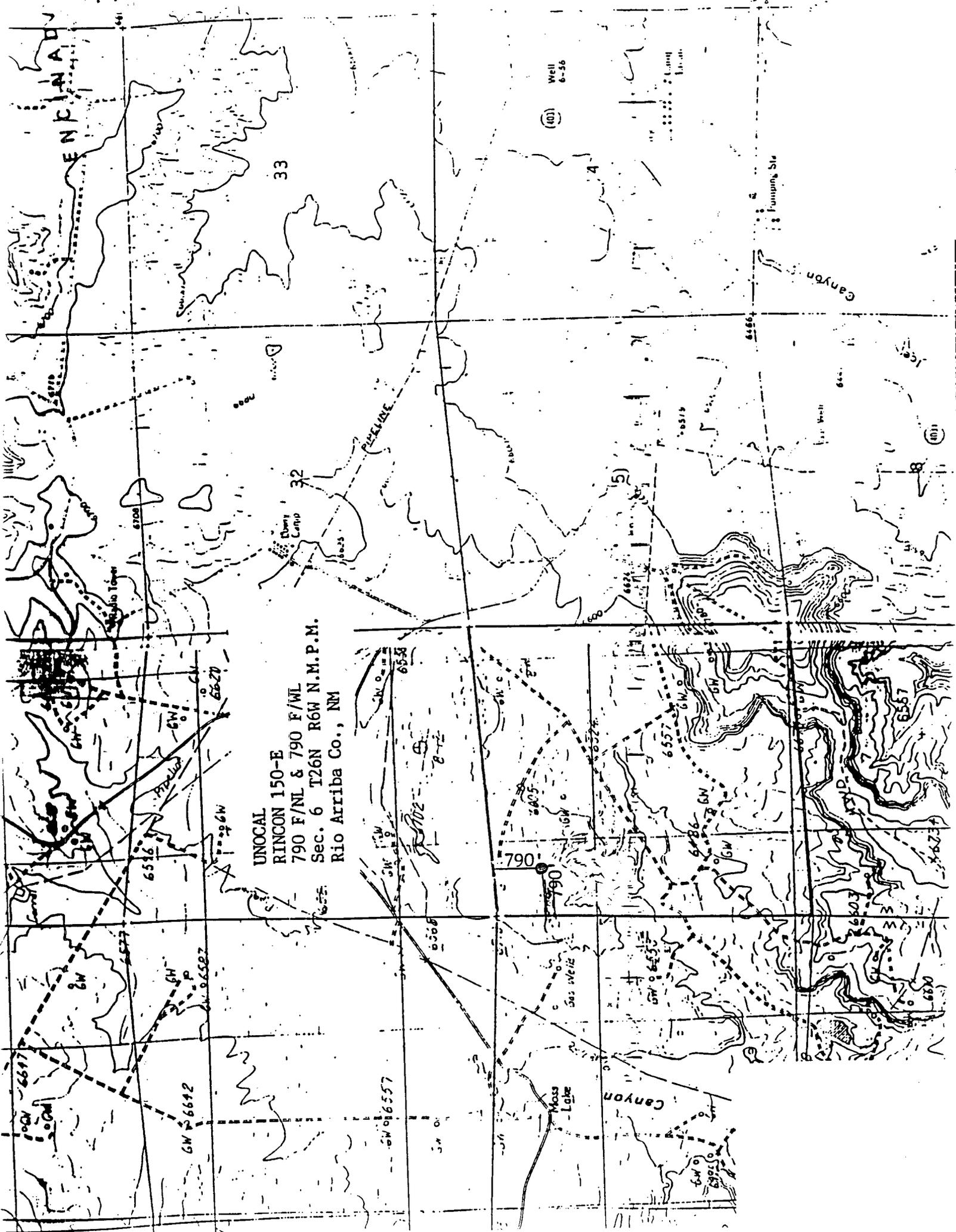
Signature: Jim Dawson
 Printed Name: Jim Dawson
 Position: District Superintendent
 Company: Union Oil Co.
 Date: 1/12/94

SURVEYOR CERTIFICATION
 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 knowledge and belief.

Date Surveyed: September 20, 1993
 Signature & Seal: Cecil B. Tullis
 Professional Surveyor
 Restake: January 11, 1994

Cecil B. Tullis
 Certificate No. 96
 PROFESSIONAL LAND SURVEYOR





UNOCAL
RINCON 150-E
790 F/NL & 790 F/WL
Sec. 6 T26N R6W N.M.P.M.
Rio Arriba Co., NM

33

32

34

35

(401) Well 6-56

Land
Line

Jumping Site

Canyon

(401)

UNOCAL

RINCON 150-E

790 F/NL & 790 F/WL

Sec. 6 T26N R6W N.M.P.M.

Rio Arriba Co., NM

790

Moss Lake

Canyon

6697

GW 6692

GW 6657

6556

6516

6620

6555

6605

6557

6557

6503

6520

4200

6466

6444

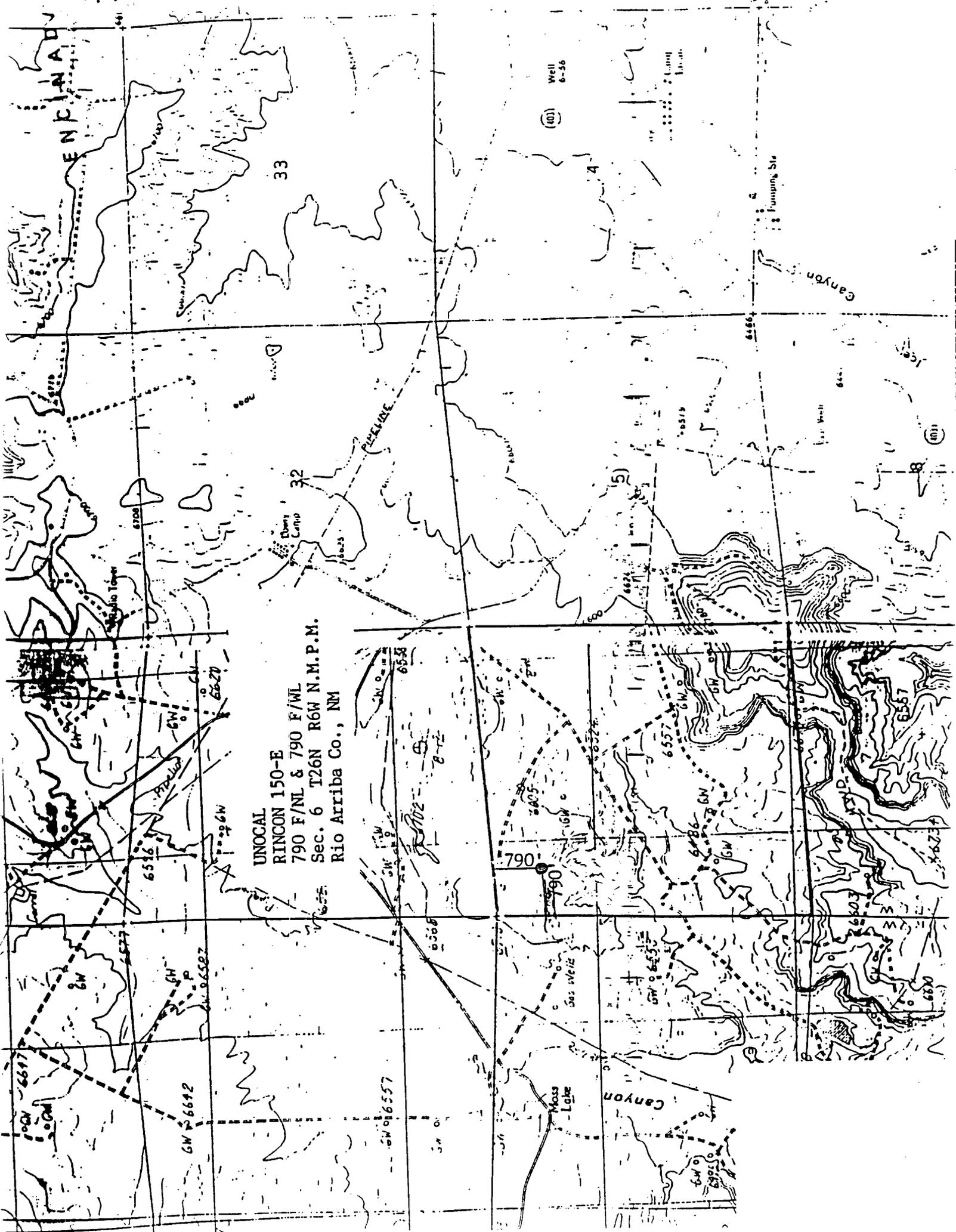
6444

6624

6519

6444

4200



ON UNIT

Odd Pans Rd

RINGSON DIRT

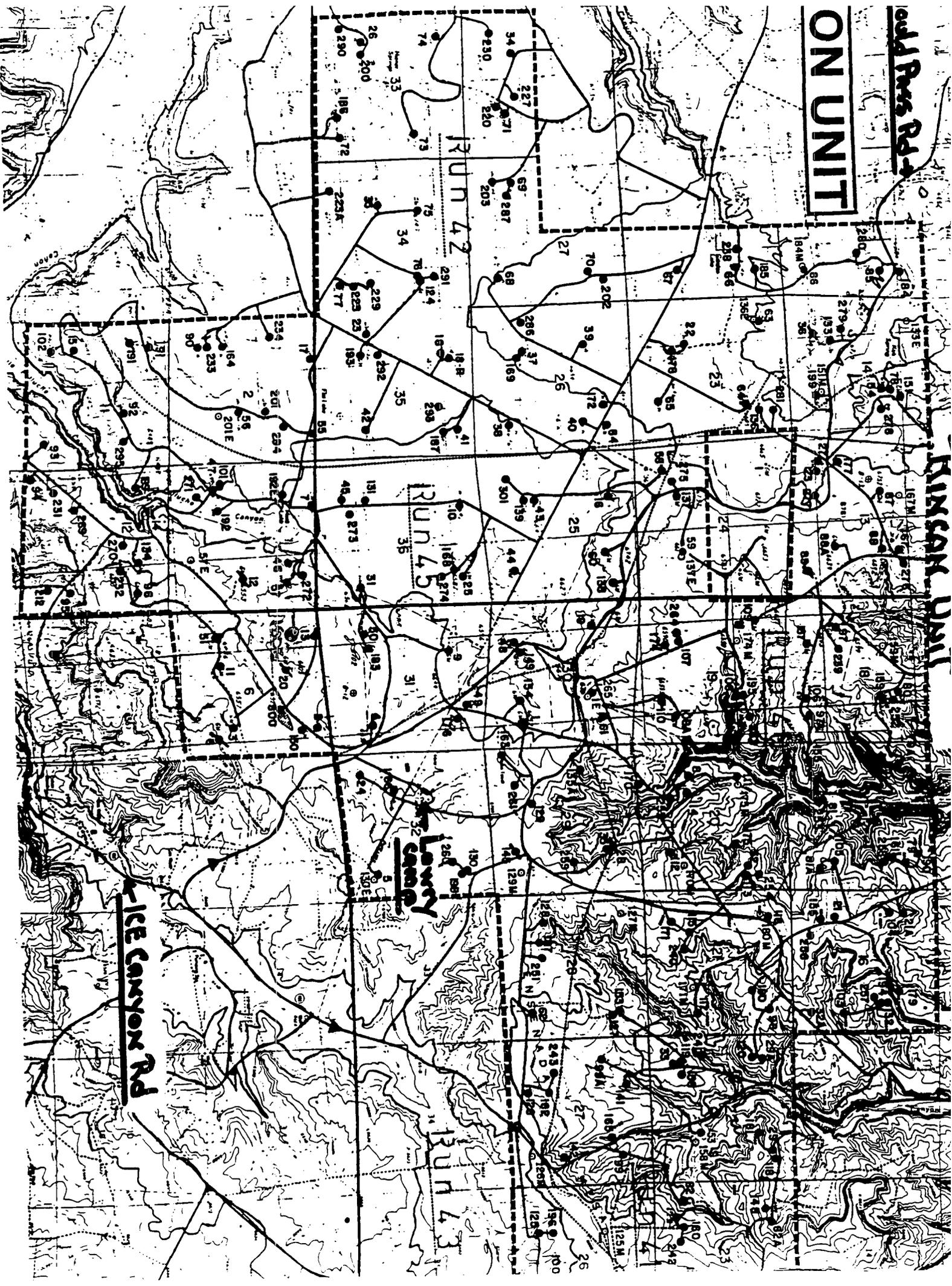
Run 42

Run 45

Lovely Camp

Run 43

ICE CANYON Rd



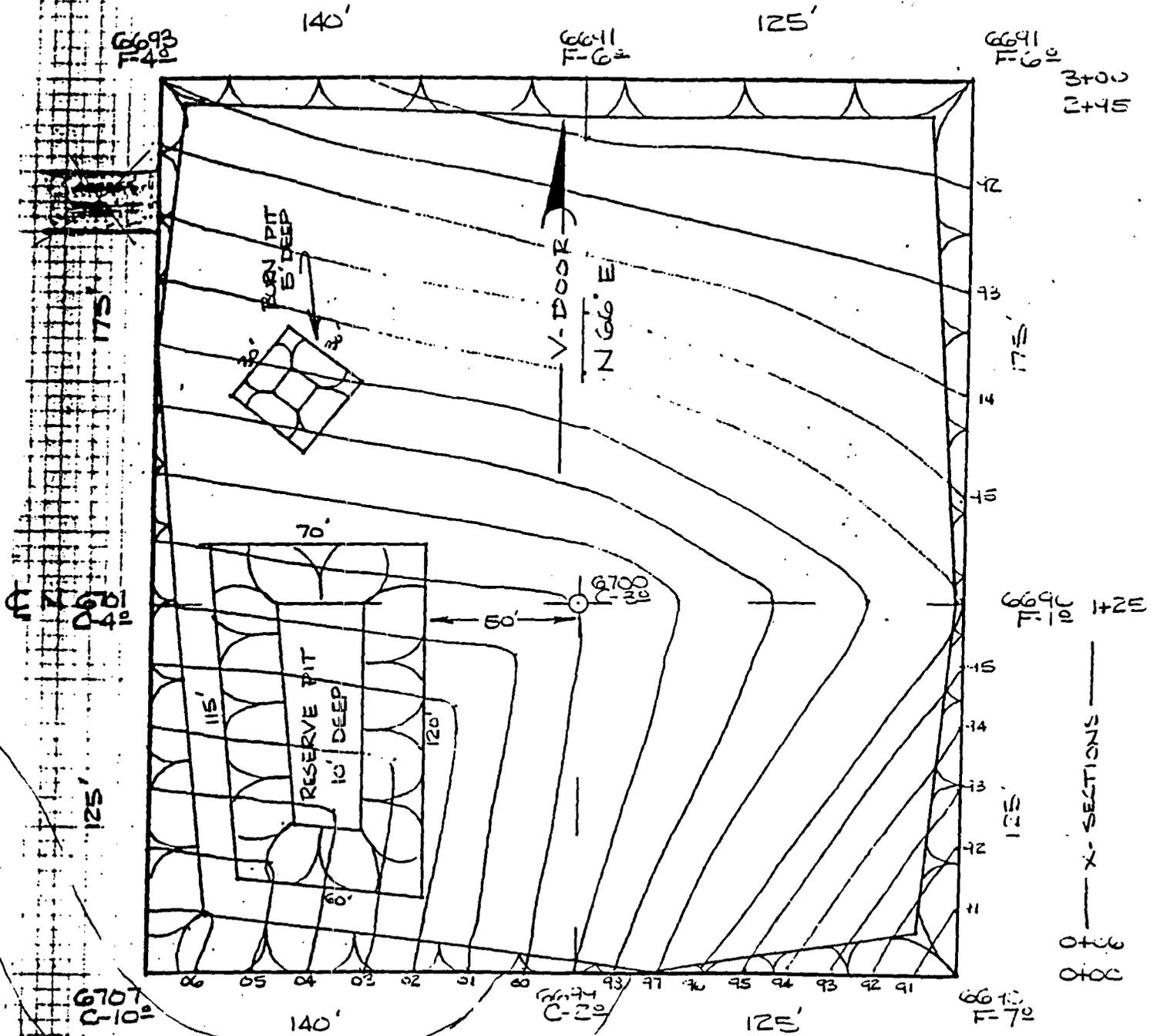
UNOCAL

Scale: 1" = 50'

RINCON 150-E
790 F/NL & 790 F/WL
Sec. 6 T26N R6W N.M.P.M.
Rio Arriba Co., NM

Contour Int. = 1'

NOTE: FINISH ELEV. 6697



NOTE FINISH PAD EL 6697

PAD LAYOUT AND TOPOGRAPHY

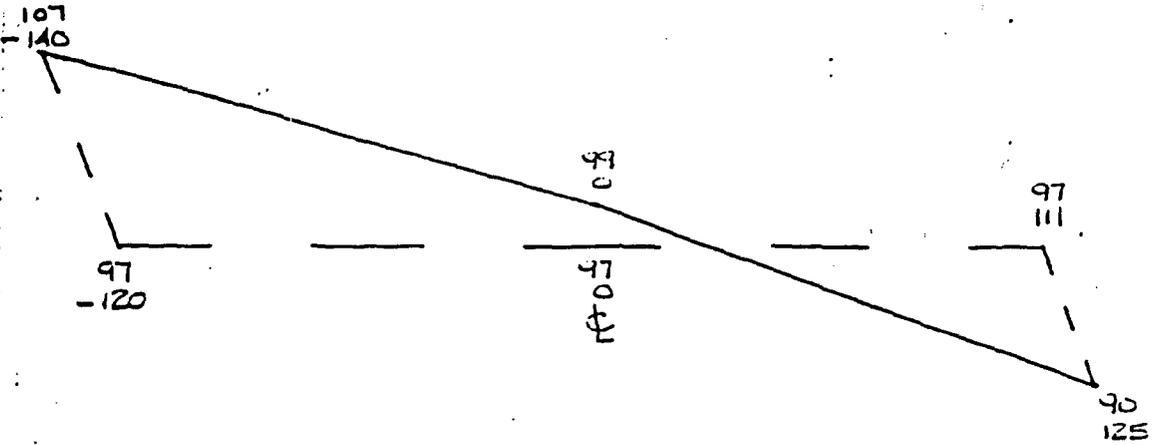
RINCON 150-E

ZERO CUT/FILL

Scale: Horz. 1" = 50'
Vert. 1" = 10'

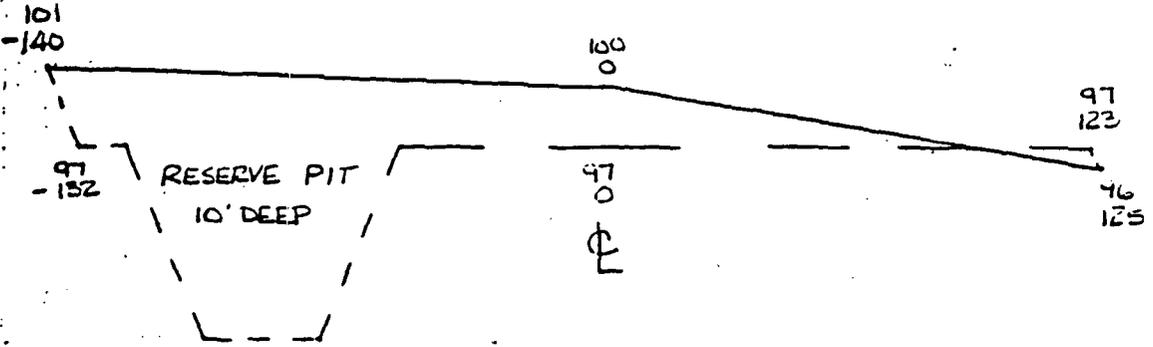
0+00

0+06

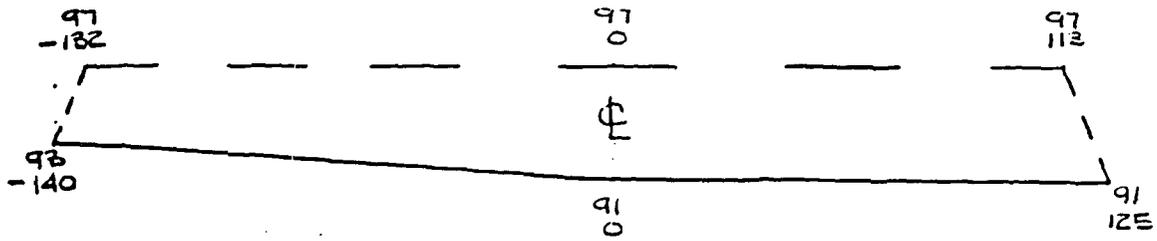


X-SECTIONS AND VOLUMES

1+25



2+95



CUT.....	5067 CU YDS.
FILL.....	5283 CU YDS.
PIT EXCAVATION.....	1699 CU YDS.

ZERO CUT/FILL

3+00

Sec : 06 Twp : 26N Rng : 06W Section Type : NORMAL

4 40.90 Fee owned A A	3 40.12 Federal owned	2 40.20 Federal owned	1 40.28 Federal owned A A
5 40.79 Fee owned	F 40.00 Federal owned	G 40.00 Federal owned A	H 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Sec : 06 Twp : 26N Rng : 06W Section Type : NORMAL

6 40.71 Federal owned A	K 40.00 Federal owned A	J 40.00 Federal owned	I 40.00 Federal owned
7 40.64 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12