

2-27-95

**Unocal Oil & Gas Division**  
Unocal Corporation  
913 West Broadway, P.O. Box 850  
Bloomfield, New Mexico 87413  
Telephone (505) 632-1811

PC-902

RECEIVED  
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January 30, 1995

Certified Return Receipt No.: P909423599

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

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

Dear Sirs:

Union Oil Company of California d.b.a. UNOCAL requests permission to surface commingle hydrocarbon production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

Well	Legal Location
Rincon Unit 183E	1880' FSL, 2080' FEL, S31, T27N, R6W

This well was drilled in August, 1994 and intended to be completed in the Dakota and Tocito formations. Initial test of the Tocito indicated a dry hole. The well is currently producing from the Dakota. It is UNOCAL's intention to complete this well as a dual string Blanco Mesa Verde and Basin Dakota; an application for multiple completion is pending approval.

It is the intention of UNOCAL to commingle, in common surface facilities, commonly owned hydrocarbon production from the Blanco Mesa Verde and Basin Dakota. Allocation factors for gas and oil production from each zone will be determined semiannually by flowing each zone independently through the custody transfer meter or a test separator. The commercial value of this surface commingled production will not be less than the sum of the values of the production from the individual Mesa Verde and Dakota horizons.

This wellbore and facilities arrangement is the future for UNOCAL's continued development and efficient operation of the Rincon Unit. In 1992 - 94 Unocal drilled and completed, with 5-1/2" casing and 2-3/8" tubing, a number of commingled Dakota/Mesa Verde gas wells. At that time drilling and completing Dakota/Mesa Verde wells with 7" casing, dual tubing strings and dual facilities was uneconomic. Significant improvements in our gathering system compression has made it practical to drill and complete some future Dakota/Mesa Verde wells with 7" casing, dual tubing strings and one set of surface facilities. The additional cost of 7" casing, an additional string of tubing and a packer will be offset by reduced surface facilities costs (surface commingle) and the ability to take full advantage of lower gathering system pressures.

It has been our experience that Dakota wells require at least 180 psig backpressure in order to prevent liquid loadup. The Mesa Verde wells will produce without loadup problems against gathering system pressures as low as 60 psig. Surface commingled facilities will allow the requisite backpressure to be held on the Dakota while the Mesa Verde produces at the lower gathering system pressure.

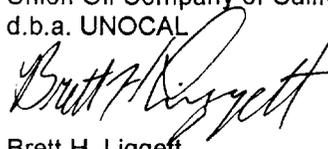
As required for rule NMOCD Rule 303, the following information is attached:

1. Gas analysis from the 183E DK.
2. Gas analysis from recently drilled Rincon Unit DK/MV wells
3. Production rates from the 183E DK and expected IP from the 183E MV horizon.
4. Wellbore and surface facilities schematic.
5. Copies of notification letters sent to all offset operators (if any) and BLM.
6. Acreage dedication plat showing offset lease ownership.

If you have any questions, please contact me at (505) 632-1811 ext. 21. Thank you for your consideration in this matter.

Sincerely,

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



Brett H. Liggett  
Production Engineer

# GAS ANALYSIS

WELL NAME	ZONE	TEST DATE	NITROGEN	CO2	METHANE	ETHANE	PROPANE	I-BUTANE	N-BUTANE	I-PENTANE	N-PENTANE	HEXANE +	BTUS	GPM	SPEC GRAV
RINCON #1E	DK	11/23/94	0.310	1.150	86.570	6.980	2.760	0.500	0.730	0.270	0.20	0.530	1159.0	3.424	0.670
	MV	11/23/94	0.310	1.150	86.570	6.980	2.760	0.500	0.730	0.270	0.20	0.530	1159.0	3.424	0.670
RINCON #126M	DK	06/10/94	0.260	1.160	85.010	7.670	3.250	0.630	0.850	0.350	0.23	0.590	1184.0	3.890	0.685
	MV	06/10/94	0.260	1.160	85.010	7.670	3.250	0.630	0.850	0.350	0.23	0.590	1184.0	3.890	0.685
RINCON #128	DK	11/17/94	0.210	1.320	87.950	6.430	2.000	0.510	0.520	0.280	0.16	0.620	1141.0	3.034	0.660
	MV	11/18/94	0.450	1.070	83.080	8.230	4.220	0.790	1.090	0.370	0.24	0.460	1207.0	4.390	0.701
RINCON #128M	DK	12/07/93	0.290	1.050	87.540	6.460	2.770	0.540	0.660	0.270	0.17	0.230	1140.4	3.139	0.656
	MV	12/07/93	0.290	1.050	87.540	6.460	2.770	0.540	0.660	0.270	0.17	0.230	1140.4	3.139	0.656
RINCON #127	DK	09/15/93	0.280	1.160	84.870	8.010	2.940	0.680	0.840	0.280	0.19	0.580	1182.1	3.927	0.685
	MV	05/13/92	0.390	1.020	81.780	10.520	4.220	0.600	0.840	0.280	0.23	0.160	1198.0	4.679	0.694
RINCON #127M	DK	11/17/94	0.300	1.240	84.850	8.010	3.050	0.600	0.800	0.340	0.23	0.580	1190.0	3.892	0.684
	MV	11/17/94	0.300	1.240	84.850	8.010	3.050	0.600	0.800	0.340	0.23	0.580	1190.0	3.892	0.684
RINCON #128	DK	11/18/94	0.230	1.280	84.060	8.420	3.260	0.640	0.860	0.370	0.25	0.600	1192.0	4.128	0.692
	MV	11/18/94	0.450	0.780	79.710	10.320	5.030	0.880	1.390	0.470	0.35	0.620	1260.0	5.443	0.730
RINCON #129	DK	04/15/94	0.260	1.000	86.830	7.120	2.350	0.520	0.650	0.290	0.19	0.490	1151.0	3.317	0.668
	MV	03/29/94	0.550	0.590	79.100	11.220	5.500	0.640	1.060	0.430	0.35	0.560	1259.0	5.588	0.727
RINCON #129M	DK	10/23/94	0.270	1.190	81.230	9.850	4.130	0.780	1.120	0.460	0.31	0.660	1232.0	4.949	0.717
	MV	10/23/94	0.270	1.190	81.230	9.850	4.130	0.780	1.120	0.460	0.31	0.660	1232.0	4.949	0.717
RINCON #130	DK	04/15/94	0.580	0.730	78.580	10.230	5.830	1.020	1.470	0.480	0.34	0.740	1281.0	6.763	0.744
	MV	04/15/94	0.430	1.240	84.220	8.530	2.970	0.630	0.750	0.340	0.22	0.640	1184.0	4.036	0.686
RINCON #135	DK	04/13/94	0.330	1.210	84.030	8.690	3.110	0.660	0.820	0.330	0.22	0.600	1189.0	4.254	0.698
	MV	08/15/93	0.220	1.080	83.600	9.320	3.440	0.540	0.880	0.307	0.24	0.378	1177.1	3.930	0.678
RINCON #136E	DK	12/12/92	0.219	1.072	84.804	8.487	3.185	0.484	0.824	0.307	0.18	0.410	1175.0	3.866	0.678
	MV	11/11/94	0.210	1.120	84.930	8.400	3.100	0.520	0.850	0.280	0.18	0.410	1175.0	3.866	0.678
RINCON #137	DK	11/11/94	0.440	0.600	77.270	12.190	5.690	0.940	1.600	0.480	0.32	0.490	1266.0	6.138	0.744
	MV	11/18/94	0.380	1.200	88.310	6.080	1.900	0.550	0.660	0.250	0.19	0.450	1134.0	2.905	0.655
RINCON #149	DK	11/30/94	0.380	1.180	84.630	7.900	3.110	0.610	0.950	0.390	0.27	0.580	1188.0	3.964	0.688
	MV	10/07/94	0.230	1.010	82.500	9.610	3.930	0.660	1.050	0.370	0.26	0.410	1210.0	4.600	0.699
RINCON #161M	DK	10/07/94	0.230	1.010	82.500	9.610	3.930	0.660	1.050	0.370	0.26	0.410	1210.0	4.600	0.699
	MV	12/08/93	0.280	1.040	86.780	7.010	2.800	0.550	0.710	0.300	0.19	0.330	1152.0	3.371	0.663
RINCON #168M	DK	12/08/93	0.280	1.040	86.780	7.010	2.800	0.550	0.710	0.300	0.19	0.330	1152.0	3.371	0.663
	MV	11/10/94	0.240	1.090	83.010	9.160	3.680	0.710	0.930	0.380	0.24	0.550	1207.0	4.458	0.698
RINCON #169M	DK	11/10/94	0.240	1.090	83.010	9.160	3.680	0.710	0.930	0.380	0.24	0.550	1207.0	4.458	0.698
	MV	10/14/94	0.230	1.010	86.060	7.620	2.890	0.540	0.770	0.280	0.19	0.410	1165.0	3.605	0.671
RINCON #167M	DK	10/14/94	0.230	1.010	86.060	7.620	2.890	0.540	0.770	0.280	0.19	0.410	1165.0	3.605	0.671
	MV	10/31/94	0.330	1.120	83.640	8.800	3.640	0.670	0.890	0.340	0.21	0.360	1190.0	4.214	0.689
RINCON #170M	DK	10/31/94	0.330	1.120	83.640	8.800	3.640	0.670	0.890	0.340	0.21	0.360	1190.0	4.214	0.689
	MV	11/26/94	0.360	1.140	82.250	9.290	3.860	0.710	1.040	0.410	0.28	0.640	1217.0	4.844	0.707
RINCON #175M	DK	11/26/94	0.360	1.140	82.250	9.290	3.860	0.710	1.040	0.410	0.28	0.640	1217.0	4.844	0.707
	MV	09/26/94	0.270	1.170	85.810	7.490	2.830	0.600	0.740	0.310	0.19	0.590	1171.0	3.652	0.677
RINCON #180M	DK	09/26/94	0.270	1.170	85.810	7.490	2.830	0.600	0.740	0.310	0.19	0.590	1171.0	3.652	0.677
	MV	12/30/93	0.250	1.010	81.930	9.580	4.090	0.680	1.080	0.400	0.29	0.710	1228.0	4.807	0.711
RINCON #184M	DK	12/30/93	0.250	1.010	81.930	9.580	4.090	0.680	1.080	0.400	0.29	0.710	1228.0	4.807	0.711
	MV	12/30/93	0.250	1.010	81.930	9.580	4.090	0.680	1.080	0.400	0.29	0.710	1228.0	4.807	0.711

UNOCAL, Rincon Unit, 183E

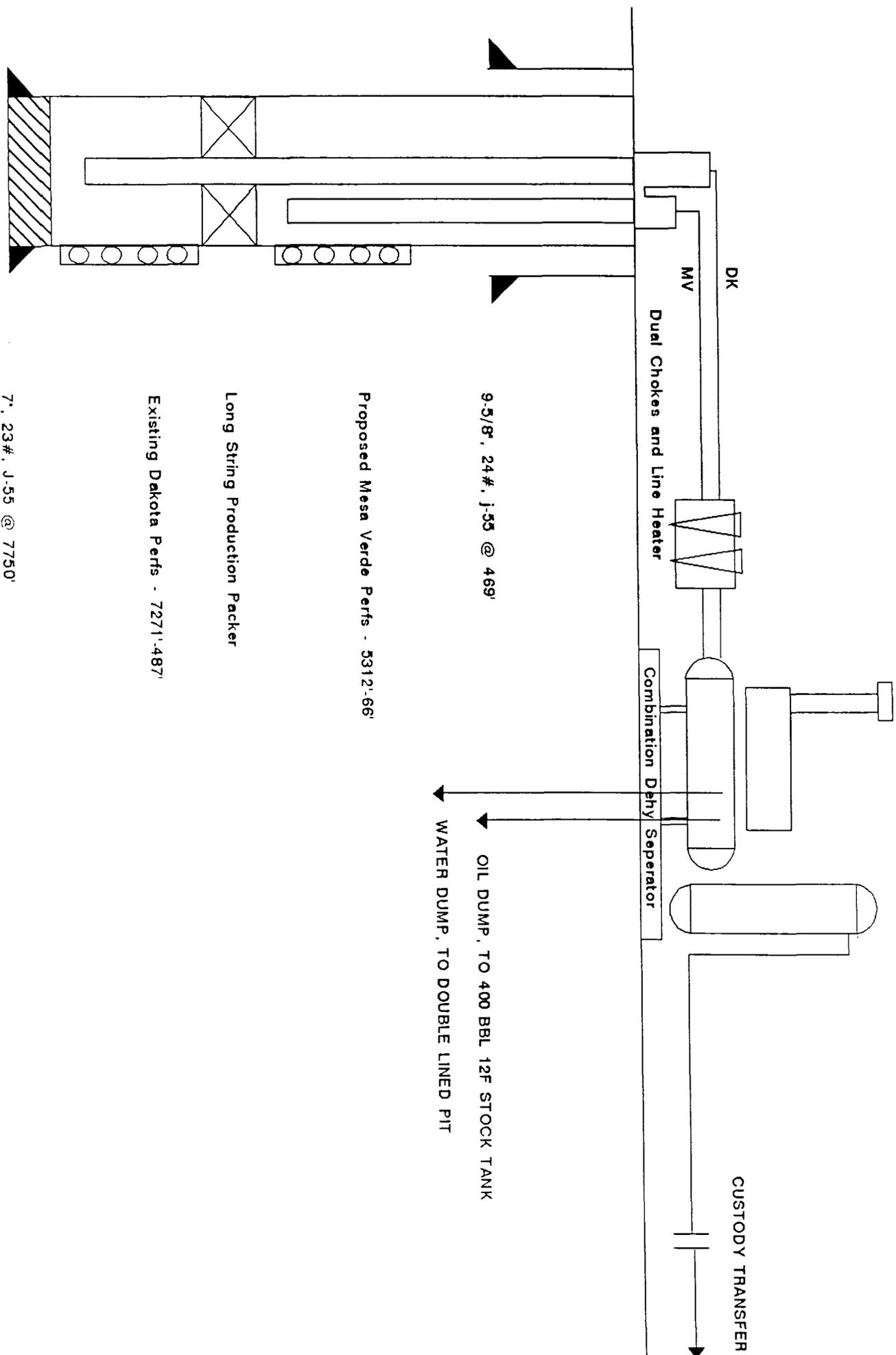
**Dakota-**

<u>Month</u>	<u>Gas (Mcf)</u>	<u>Oil (bbl/day)</u>	<u>Water (bbl/day)</u>
1/95	428	1.6	1.3
12/94	467	2.8	0.7
11/94	417	3.0	3.0

**Mesa Verde (Predicted)-**

<u>Month</u>	<u>Gas (Mcf)</u>	<u>Oil (bbl/day)</u>	<u>Water (bbl/day)</u>
2/95	300	<5	<5

# RINCON UNIT, 183E, WBD & SURFACE COMMINGLE FACILITIES



7", 23#, J-55 @ 7750'



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Unocal Corporation  
913 West Broadway, P.O. Box 850  
Bloomfield, New Mexico 87413  
Telephone (505) 632-1811

# UNOCAL 76

January 30, 1995

United State Department of the Interior  
Bureau of Land Management  
1235 La Plata Highway  
Farmington, New Mexico 87401

Greetings:

Union Oil Company of California (UNOCAL) has requested, from the State of New Mexico, Oil Conservation Division, permission to surface commingle production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit wells, Rio Arriba County, New Mexico.

<u>Well</u>	<u>Legal Location</u>
Rincon Unit 183E	1880' FSL, 2080' FEL, S31, T27N, R6W

If you have any objections to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact me at (505) 532-1811 ext. 21.

Sincerely,

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



Brett H. Liggett  
Production Engineer

RINCON UNIT #183E  
Rio Arriba County, NM  
S31, T27N-R06W

WORKSTATION 43 - USER GCL - Douglas V. Lee

7:32:27 am Thursday February 2, 1995

8:31 No. 001 P.02  
FEB 02 '95  
ID:505-599-2251  
EPNG MEASUREMENT

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Field Measurement  
Chromatograph History

GLPC420

MTR #	97 739
Dataset	D307
Sampled	941102
BTU	1173
Gravity	0.676
GPM	03.899
GR H2S	0000
% H2S	00.00
% N2	00.21
% C1	84.87
% CO2	01.09
% C2	08.51
% C3	03.12
% IC4	00.53
% NC4	00.85
% IC5	00.29
% NC5	00.21
% C6+	00.32

PF5 - Next Records      PF8 - Find Meter      PF16 - Exit

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Unocal Corporation  
913 West Broadway, P.O. Box 850  
Bloomfield, New Mexico 87413  
Telephone (505) 632-1811

# UNOCAL 76

January 30, 1995

Caulkins Oil Co.  
1997 E. Blanco Blvd  
Bloomfield, New Mexico 87413

Greetings:

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<u>Well</u>	<u>Legal Location</u>
Rincon Unit 183E	1880' FSL, 2080' FEL, S31, T27N, R6W

If you have any objections to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact me at (505) 532-1811 ext. 21.

Sincerely,

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



Brett H. Liggett  
Production Engineer