Unocal Oil & Gas Division **Unocal Corporation** 3300 North Butler Avenue Suite 200



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July 1, 1992

## Certified Return Receipt P 551 204 498

Farmington District

New Mexico Oil Conservation Division 310 Old Santa Fe Trail, Box 2088 Santa Fe, NM 87504-2088 Attn: David Catanach

## SUBJECT:

Request for Approval to Surface Commingle Condensate Production Rincon Unit, Well No. 159-M Rio Arriba County, New Mexico

The attached request is for approval to surface commingle condensate production at the Rincon Unit, Well No. 159-M. June 16, 1992 a request for surface commingling of gas production from the same well was sent to your attention.

Very truly yours,

Union Oil Company of California dba Unocal

Glen O. Papp

District Production Engineer

pmh

cc:NMOCD Aztec Office--Frank Chavez BLM--Ken Townsend

**Unocal North American** Oil & Gas Division Unocal Corporation 3300 North Butler Avenue

Suite 200 Farmington, New Mexico 87401 Telephone (505) 326-7600 Fax: (505) 326-6145

## **UNOCAL®**

July 1, 1992

Farmington District

New Mexico Oil Conservation Division 310 Old Santa Fe Trail, Box 2088 Santa Fe, NM 87504-2088

Attn: David Catanach

### SUBJECT:

Requesting Approval for Surface Commingling of Condensate Production from Rincon Unit, Well No. 159-M Sec 18 T-27-N, R-6-W Rio Arriba County, New Mexico

Union Oil Company of California, dba Unocal, requests permission to surface commingle condensate from its Rincon Unit, Well No. 159-M, Rio Arriba County, New Mexico. The following describes and demonstrates how Unocal proposes to allocate production under the context of BLM Onshore Oil and Gas orders for commingling, and under the New Mexico Oil Conservation Commission Manual for the Installation and Operation of Commingling Facilities.

The Rincon Unit, No. 159-M well is a development gas well scheduled to be drilled by Unocal. The well is to be completed as a dual Dakota/Mesa Verde producer; and it is anticipated that it will be ready for pipeline deliveries August 10, 1992.

Unocal is proposing to surface commingle produced fluids from individual separators into a common stock tank (Exhibit No. 1). Royalties will be paid on the liquid volumes sold from the tank.

The proposed location is within existing Dakota and Mesa Verde participating areas within the Rincon Unit (Exhibit No. 2). The lease is a federal lease and it is described in Exhibit No. 3. The royalty in the two formations is the same.

Unocal is requesting from the New Mexico Oil Conservation Division, approval for surface commingling of the produced condensate and the following method for allocating production. Unocal will conduct initial condensate production tests of equivalent time frames for each of the two zones. The condensate produced during the test period from each pool will be used to calculate an average daily rate (Exhibit No. 4, Part 1). Each

month this rate will be multiplied by the days on production, to yield a volume produced for the month (Exhibit No. 4, Part 3). The corrected volumes will be allocated as per Exhibit 4, Part 5. To ensure the accuracy of the allocation factor, Unocal will retest the zones six months after the initial test and then annually thereafter.

Should you have any questions or need any additional information to process this request, please feel free to contact me at the above letterhead address or phone.

Very truly yours,

Union Oil Company of California dba Unocal

Glen O. Papp

District Production Engineer

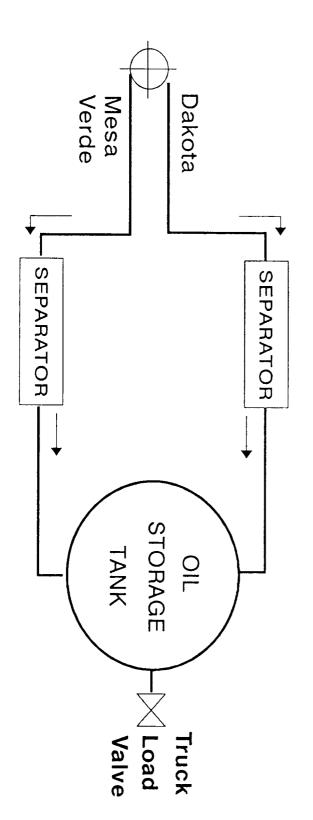
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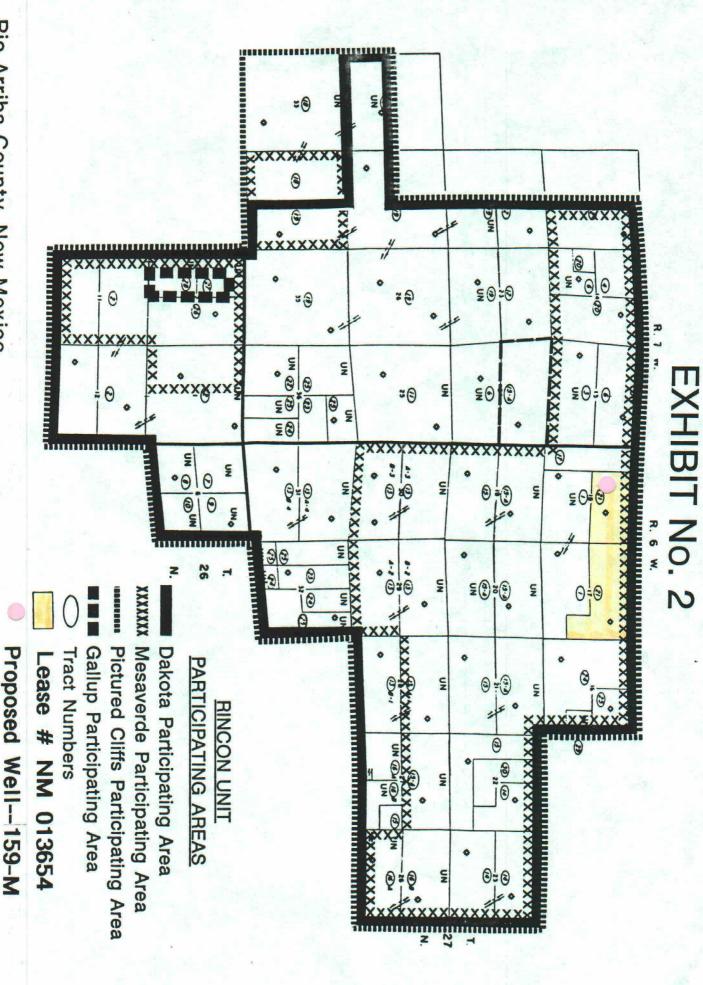
cc:NMOCD Aztec Office--Frank Chavez BLM--Ken Townsend

# **EXHIBIT No. 1**

## UNOCAL ®

CONDENSATE ACCOUNTING SCHEMATIC
RIO ARRIBA COUNTY, NEW MEXICO





## EXHIBIT NO. 3 LEASE DISCRIPTION

FEDERAL LEASE #	# ACRES	DESCRIPTION
NM - 013654	600	T-27-N, R-6-W Sec. 18 N/2 Sec. 17 N/2, NE/4SE/4

## OTHER WELLS ON LEASE # NM - 013654

WELL #	PRODUCING ZONE	LOCATION T-27-N, R-6-W
159	DAKOTA	1700' FNL, 1720' FEL - Sec. 18
161	DAKOTA	1450' FNL, 1000' FEL - Sec. 17
252	FRUITLAND	1640' FNL, 1605' FEL - Sec. 18
258	FRUITLAND	1505' FNL, 915' FEL - Sec. 17
80	MESA VERDE	1090' FNL, 1636' FEL - Sec. 18
79A	MESA VERDE	1110' FNL, 730' FWL - Sec. 17
190	PICTURED CLIFF	850' FNL, 1550' FEL - Sec. 17
105	PICTURED CLIFF	1650' FSL, 990' FEL - Sec. 17
159 – M	MESA VERDE/DAKOTA	1695' FNL, 1735' FWL - Sec. 18
	]	

FILENAME EX3\_159M

## EXHIBIT #4 CONDENSATE ALLOCATION CALCULATIONS

1) Production Test completed on both zones, yields:

Mesa Verde Test Rate = 
$$R_1$$
 (BPD)  
Dakota Test Rate =  $R_2$  (BPD)

2) Days On / Month

- 3) i) Actual Total Monthly Gauge Volume: G (BPM)
  - ii) Calculated Individual Volumes:

Mesa Verde = 
$$R_1 \times A$$
  
Dakota =  $R_2 \times B$   
Total Volume =  $R_1(A) + R_2(B)$ 

4) Allocation Factor (AF):

$$AF = \frac{G}{R_1(A) + R_2(B)}$$

5) Corrected Allocation Volumes:

Mesa Verde = AF x 
$$R_1(A)$$
  
Dakota = AF x  $R_2(B)$