

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

OIL CONSERVATION DIVISION  
RECEIVED



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August 10, 1992

**CERTIFIED RETURN RECEIPT**

Farmington, NM 87401  
**PC-671-272-436**

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. 151-M  
Sec 14, T-27-N, R-7-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. 151-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. 151-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 September 21, 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 every six months after the initial test.

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

A handwritten signature in black ink, appearing to read 'Glen O. Papp', written over the typed name.

Glen O. Papp  
District Production Engineer

pmh

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

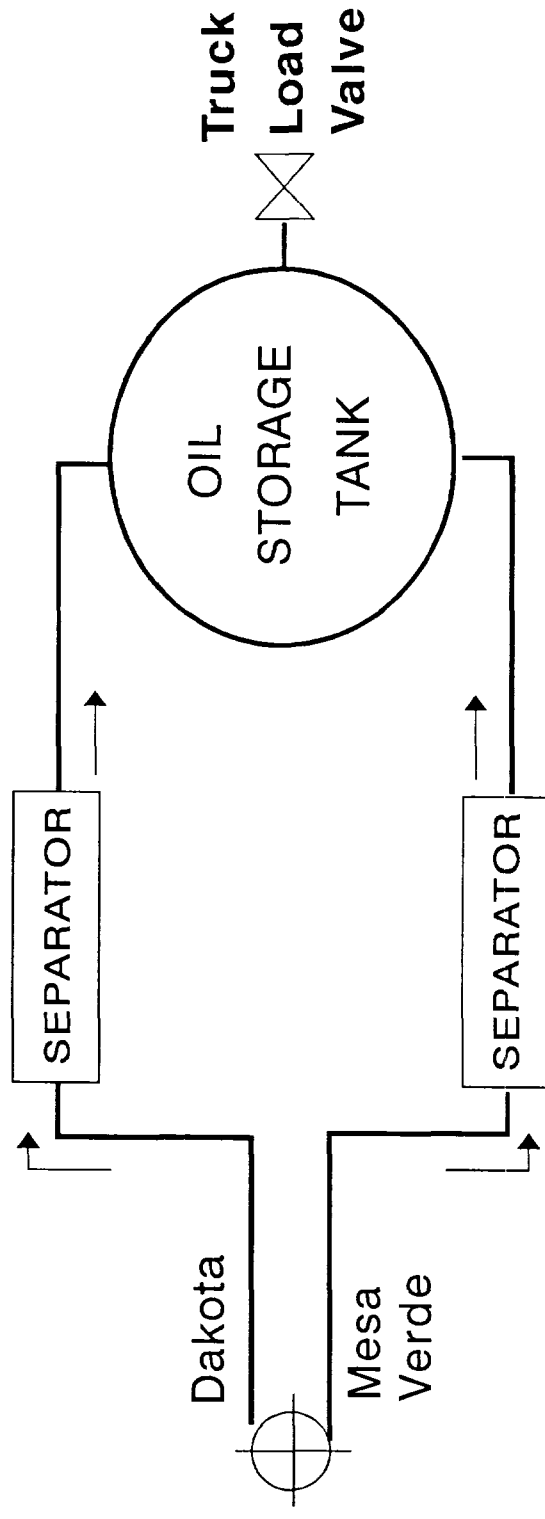
# EXHIBIT No. 1

UNOCAL <sup>76</sup>

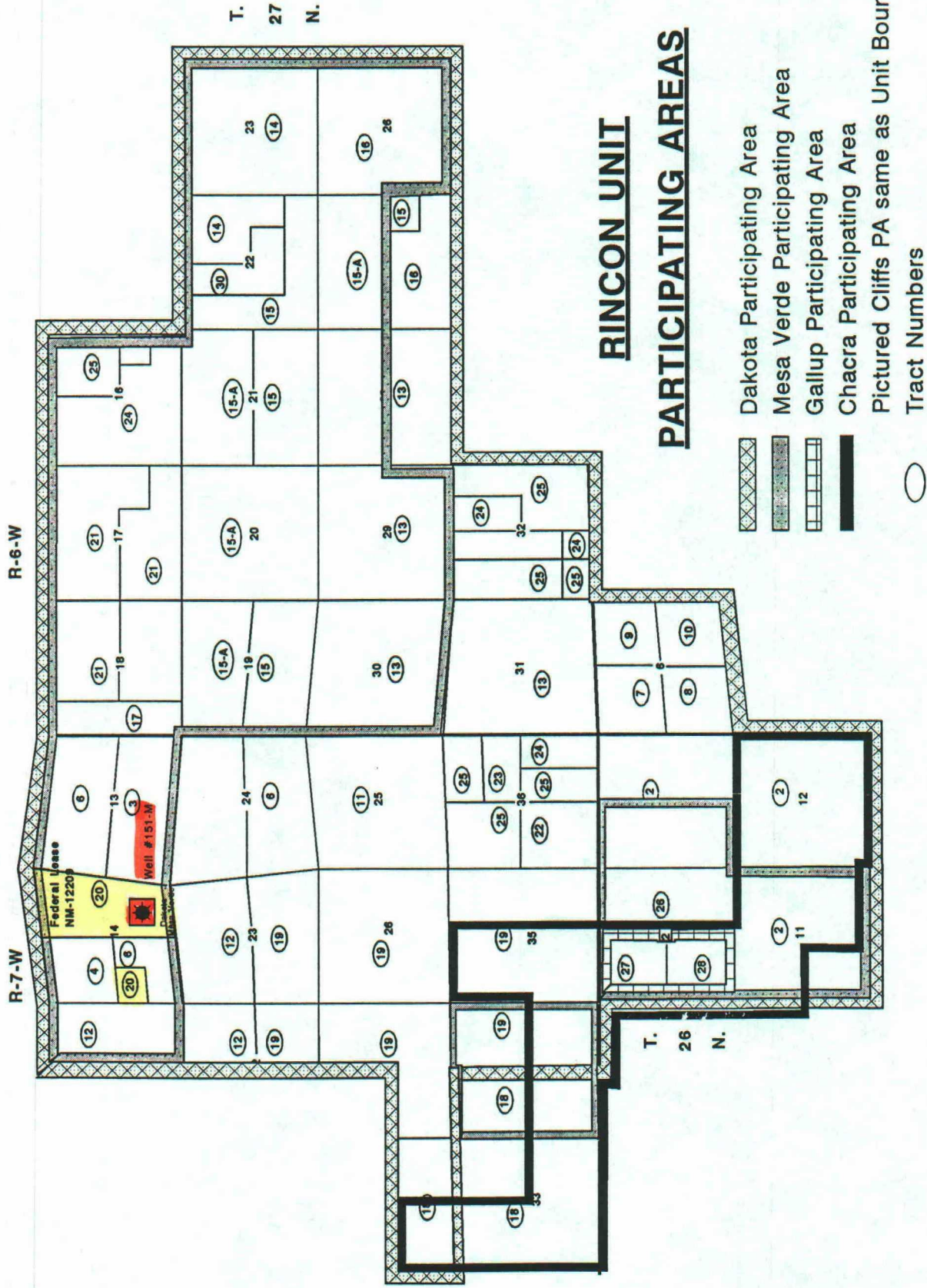
CONDENSATE ACCOUNTING SCHEMATIC

RINCON UNIT # 151-M

RIO ARriba COUNTY, NEW MEXICO



# EXHIBIT No. 2



Rio Arriba County, New Mexico

**EXHIBIT NO #3**  
**LEASE DISCRIPTION**

FEDERAL LEASE	# ACRES	DESCRIPTION
SF - NM12209	337.63	SEC.14: NW/4 SW/4, E/2

**OTHER WELLS ON LEASE # SF - NM12209**

WELL #	PRODUCING		WELL STATUS
	ZONE	LOCATION	
54	PC	1712' FNL. 1907' FEL	Producing
78	MV	1460' FNL. 1840' FEL	Producing
99	PC	1025' FNL 1025' FEL	Producing
151	DK	1170' FNL 1645' FEL	Producing
278	FC	1970' FNL 970' FEL	Producing

# EXHIBIT No. 4

## CONDENSATE

### ALLOCATION CALCULATIONS

1) Production Test completed on both zones, yields:

$$\text{Mesa Verde Test Rate} = R_1 \text{ (BPD)}$$

$$\text{Dakota Test Rate} = R_2 \text{ (BPD)}$$

2) Days On / Month

$$\text{Mesa Verde Days On} = A$$

$$\text{Dakota Days On} = B$$

3) i) Actual Total Monthly Gauge Volume:  $G$  (BPM)

ii) Calculated Individual Volumes:

$$\text{Mesa Verde} = R_1 \times A$$

$$\text{Dakota} = R_2 \times B$$

$$\text{Total Volume} = R_1(A) + R_2(B)$$

4) Allocation Factor (AF):

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

5) Corrected Allocation Volumes:

$$\text{Mesa Verde} = AF \times R_1(A)$$

$$\text{Dakota} = AF \times R_2(B)$$