

Unocal Oil & Gas Division  
Unocal Corporation  
3300 North Butler Avenue  
Suite 200  
Farmington, New Mexico 87401  
Telephone (505) 326-7600  
Fax: (505) 326-6145

DIVISION



July 27, 1992

**CERTIFIED RETURN RECEIPT**  
**P-671-272-430**

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. 158-M  
Sec 22, 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. 158-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. 158-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 7, 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 minerals are held in fee by Jo Kaime of Counselor New Mexico. The lease is described in Exhibit No. 3.

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 dark ink, appearing to read "Glen O. Papp", written over the printed name.

Glen O. Papp  
District Production Engineer

pmh

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

# EXHIBIT No. 1

UNOCAL <sup>®</sup>

CONDENSATE ACCOUNTING SCHEMATIC

RINCON UNIT # 158-M

RIO ARriba COUNTY, NEW MEXICO

