

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

# UNOCAL 76

July 21, 1993

**Certified Return Receipt**  
**P-895-099-821**

Farmington District

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

Subject:  
Request for Approval  
Central Metering  
Rincon Unit CDP #4  
Rio Arriba County, New Mexico

Union Oil Company of California, d.b.a. Unocal, seeks NMOCD approval for the following -

1. Installation of a central custody transfer meter downstream of the compression facilities that will be located at the proposed Central Delivery Point #4 (CDP #4), Rincon Unit, Rio Arriba County, New Mexico.
2. Surface commingling of gas produced by the individual wells serviced by CDP #4 (see exhibit #1) and the method outlined in exhibit #2 for allocating monthly gas volumes from the central custody transfer meter and incidental liquids from the CDP #4 separator back to the individual wells.

Unocal has recently finalized an agreement with El Paso Natural Gas (EPNG) to install compression on their gathering system, downstream of 176 existing Rincon Unit gas wells (see exhibit #3). Under this scenario custody transfer will move from the well site to the central custody transfer meter. Compression will significantly increase deliverability and recoverable reserves from the gas wells located on this gathering system. Custody transfer through a central custody transfer meter will allow Unocal to maintain strict tolerances on gas deliveries. All of these wells, with the exception of those up for approval before the BLM, are within the bounds of their respective participating areas (See exhibit #4).

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BLM

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**UNOCAL** 76

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

July 21, 1993

**Certified Return Receipt**  
**P-895-099-823**

Farmington District

Bureau of Land Management  
1235 La Plata Highway  
Farmington, NM 87401  
Attn.: Ken Townsend

Subject:

Request for Approval  
Central Metering  
Rincon Unit CDP #4  
Rio Arriba County, New Mexico

Union Oil Company of California, d.b.a. Unocal, seeks BLM approval for the following -

1. Installation of a central custody transfer meter downstream of the compression facilities that will be located at the proposed Central Delivery Point #4 (CDP #4), Rincon Unit, Rio Arriba County, New Mexico.
2. Surface commingling of gas produced by the individual wells serviced by CDP #4 (see exhibit #1) and the method outlined in exhibit #2 for allocating monthly gas volumes from the central custody transfer meter and incidental liquids from the CDP #4 separator back to the individual wells.

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3162.7-1

Rincon Unit Gen. Corr.

✓ Operator

**APPROVED**

JUL 27 1993

**DISTRICT MANAGER**

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



July 21, 1993

**Certified Return Receipt**  
**P-895-099-825**

Farmington District

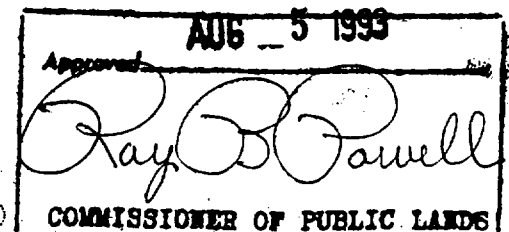
New Mexico State Land Office  
310 Old Santa Fe Trail, PO Box 1148  
Santa Fe, NM 87504-1148  
Attn.: Pete Martinez

Subject:  
Request for Approval  
Central Metering  
Rincon Unit CDP #4  
Rio Arriba County, New Mexico

Union Oil Company of California, d.b.a. Unocal, seeks New Mexico State Land Office approval for the following -

1. Installation of a central custody transfer meter downstream of the compression facilities that will be located at the proposed Central Delivery Point #4 (CDP #4), Rincon Unit, Rio Arriba County, New Mexico.
2. Surface commingling of gas produced by the individual wells serviced by CDP #4 (see exhibit #1) and the method outlined in exhibit #2 for allocating monthly gas volumes from the central custody transfer meter and incidental liquids from the CDP #4 separator back to the individual wells.

Unocal has recently finalized an agreement with El Paso Natural Gas (EPNG) to install compression on their gathering system, downstream of 176 existing Rincon Unit gas wells (see exhibit #3). Under this scenario custody transfer will move from the well site to the central custody transfer meter. Compression will significantly increase deliverability and recoverable reserves from the gas wells located on this gathering system. Custody transfer through a central custody transfer meter will allow Unocal to maintain strict tolerances on gas deliveries. All of these wells, with the exception of those up for approval before the BLM, are within the bounds of their respective participating areas (See exhibit #4).

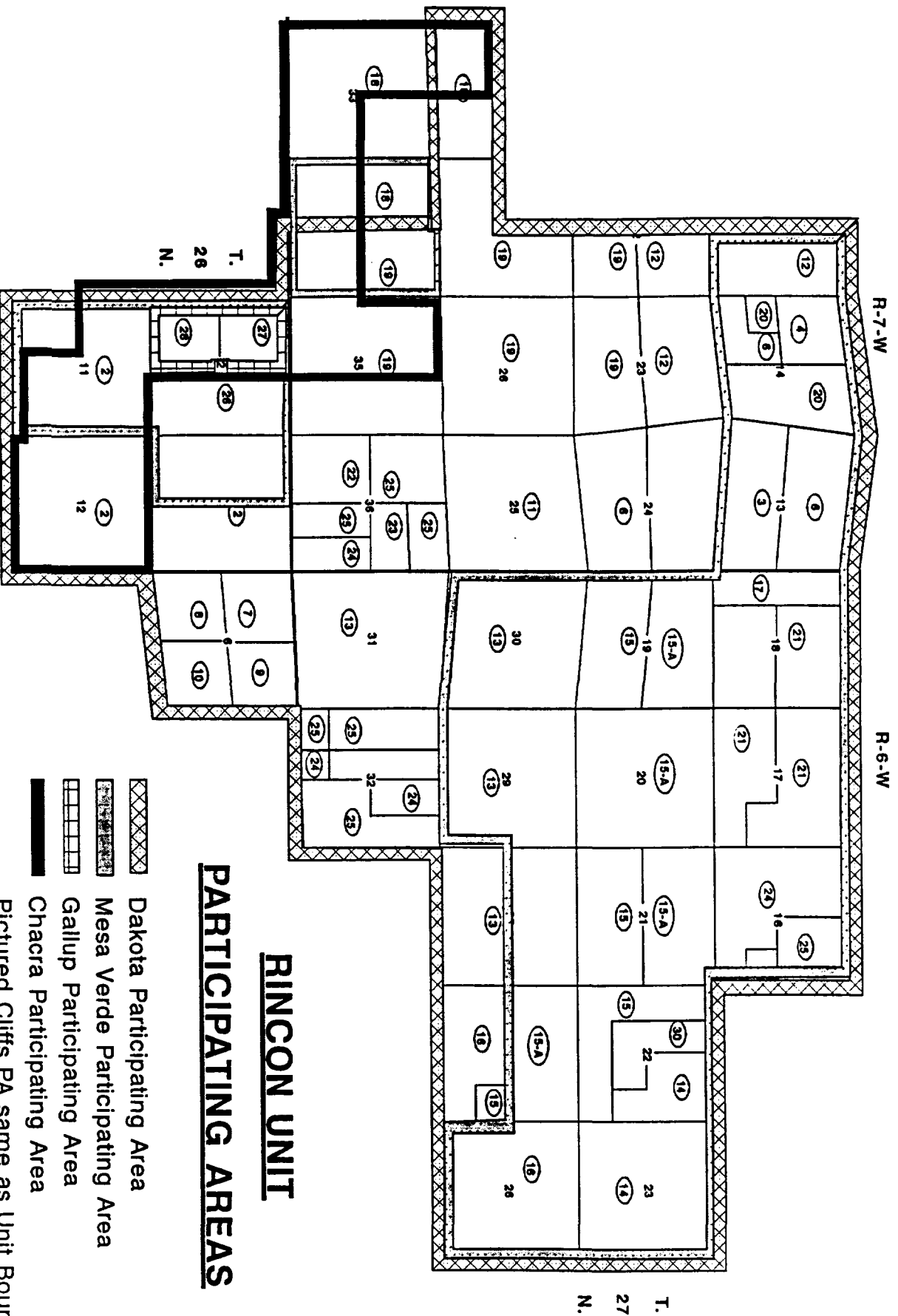


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\$30.00+ LO

# EXHIBIT No. 3



Rio Arriba County, New Mexico