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BEFORE THE

OIL CONSERVATION DIVISION Oil Conservation Division

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF UNION OIL COMPANY OF CALIFORNIA
d/b/a UNOCAL FOR AN UNORTHODOX
WELL LOCATION, RIO ARRIBA COUNTY, NEW MEXICO. CASE NO. 11440

APPLICATION

UNION OIL COMPANY OF CALIFORNIA d/b/a ("Unocal"), through its undersigned attorneys, and hereby makes application for an order approving an unorthodox well location, and in support thereof states:

1. Applicant is the operator of the W/2 of Section 36, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico and proposes to dedicate this acreage to its Rincon Unit Well No. 131-E in the Dakota formation, Basin Dakota-Gas Pool, the Mesaverde formation, Blanco Mesaverde-Gas Pool, and the NW/4 of said Section 36 to this well in the Pictured Cliffs formation, Blanco Pictured Cliffs-Gas Pool. Said well is located at an unorthodox gas well location in all formations 1985 feet from the North line and 822 feet from the West line in Unit E of said Section 36.

2. Applicant seeks an exception to the Division's Rules and Regulations for each pool for said well in the Dakota, Mesaverde and Pictured Cliffs formations at the above-described location.

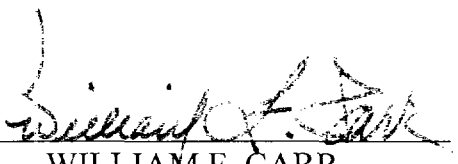
3. A standard 320-acre spacing and proration unit comprised of the W/2 of said Section 36 should be dedicated to the well in the Dakota and Mesaverde formations and a standard 160-acre spacing and proration unit comprised of the NW/4 of said Section 36 should be dedicated to the well in the Pictured Cliffs formation.

4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the oil and gas from each of these formations and will otherwise be in the best interest of conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Union Oil Company of California d/b/a Unocal requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 21, 1995, and after notice and hearing as required by law, the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

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