

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



July 1, 1992

Farmington District

New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, New Mexico 87410
Attn: Frank Chavez

RECEIVED
JUL 02 1992
OIL CON. DIV.)
DIST. ?

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

Attached is a copy of the application sent to David Catanach for his approval; this copy is for your information.

Very truly yours,

Union Oil Company of California
dba Unocal

Glen O. Papp
District Production Engineer

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



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. On 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

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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

EXHIBIT No. 1

UNOCAL 

CONDENSATE ACCOUNTING SCHEMATIC

RINCON UNIT # 159-M

RIO ARriba COUNTY, NEW MEXICO

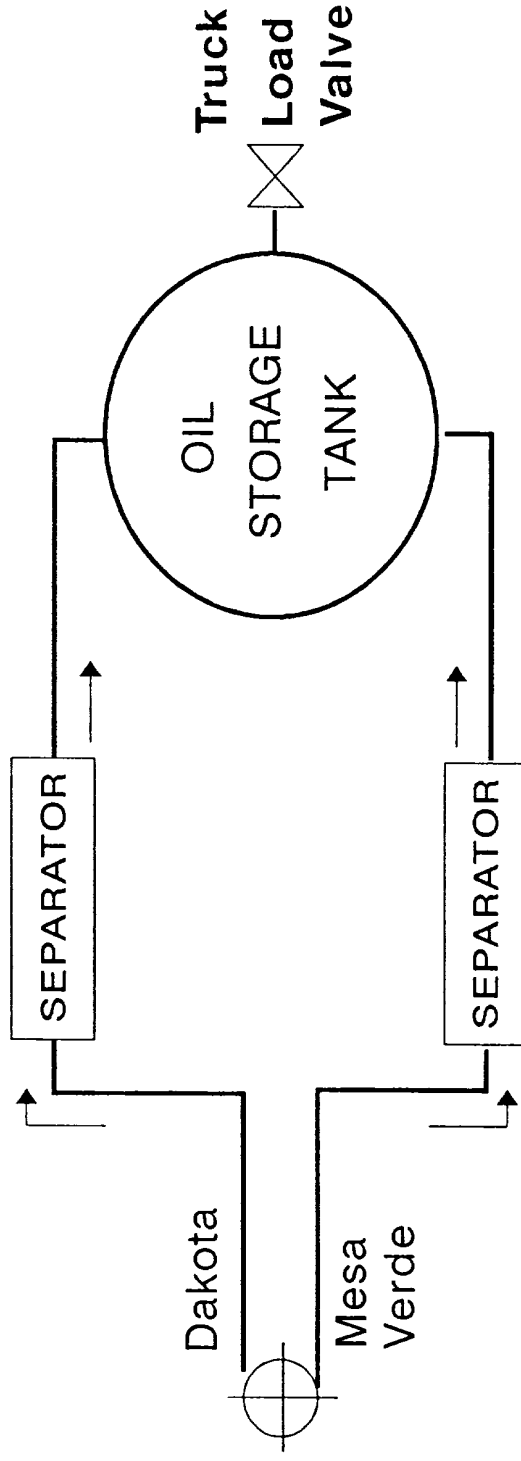
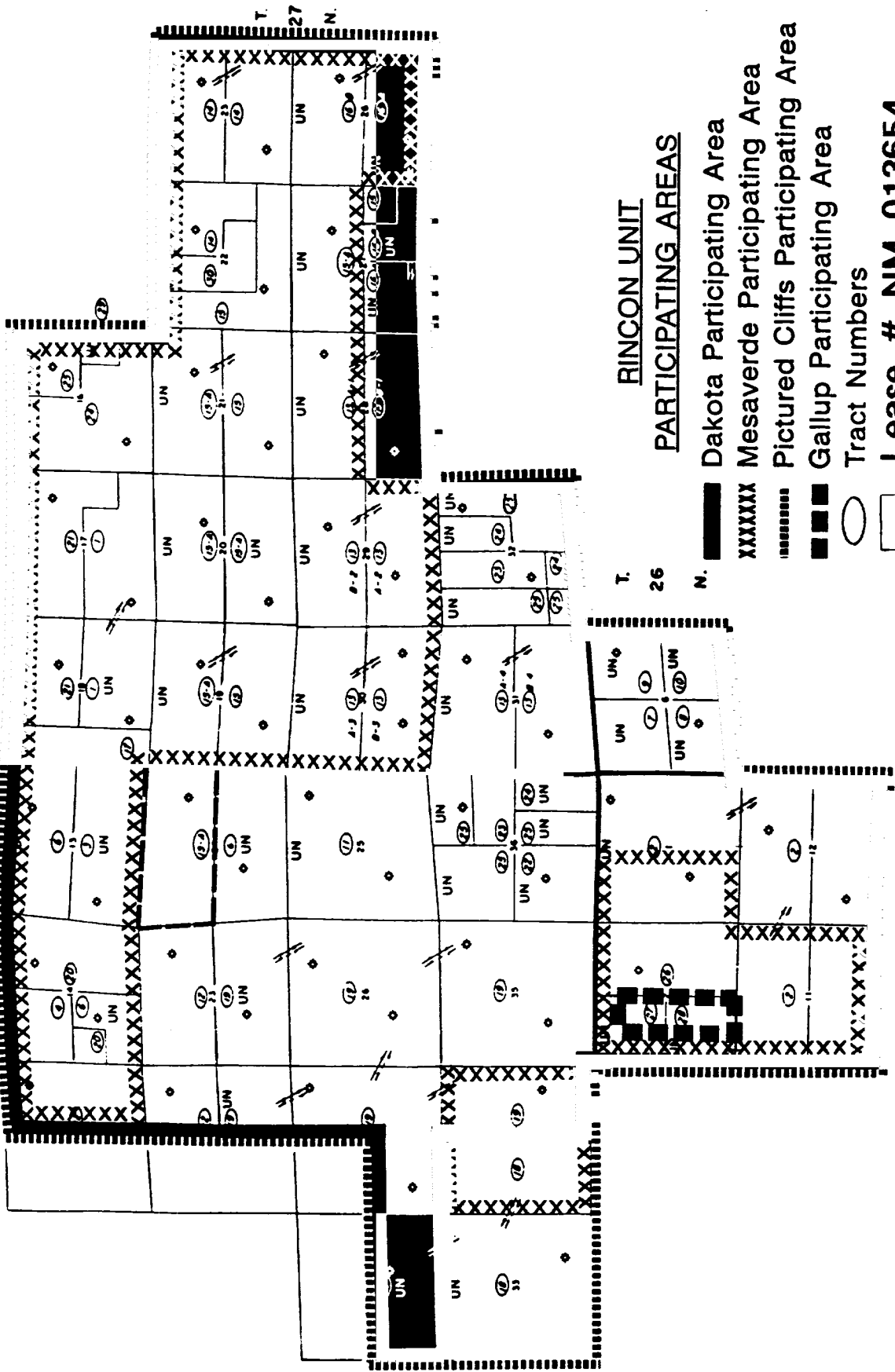


EXHIBIT No. 2

R. 6 W.

R. 7 W.



RINCON UNIT

PARTICIPATING AREAS

- Dakota Participating Area
- Mesaverde Participating Area
- Pictured Cliffs Participating Area
- Gallup Participating Area
- Tract Numbers
- Lease # NM 013654
- Proposed Well--159-M

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

EXHIBIT #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:

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

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