

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

October 9, 1990

Farmington District

Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
Attn: Mike Stogner
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87503

RE: Application of Union Oil Company of California dba Unocal for
Administrative approval of the following Basin Fruitland Coal
(Gas) Non-Standard Location Applications for existing well
plugbacks:

Rincon Unit #122	SF079367-A
Rincon Unit #56	State 291 (also unorthodox)
Rincon Unit #19	SF079364
Rincon Unit #117	SF079366
Day B #6	SF078571

As per our telephone conversation October 5 and October 9, 1990, I am sending you this letter for the record in anticipation of receiving your letter dated October 4, 1990 not yet received.

Regarding the problem of overlapping acreage dedication of the above proposed Basin Fruitland Coal recompletions with approved APD's, I have contacted Mr. Steve Mason of the BLM. He recommends that the approved APD's should not be cancelled until the proposed work is complete in case they are not successful and Unocal wishes to drill them later. Cancellations of the approved APD's will be submitted upon successful completion of the proposed recompletions to the 5 subject wells.

Unocal respectfully requests that administrative approval be granted.

Please contact me if I can help expedite these approvals.

Sincerely yours,

Union Oil Company of California
dba UNOCAL

Stergie Katirgis
Stergie Katirgis
Petroleum Engineering Consultant

SK/df

DEX TRANSMITTAL
UNOCAL OIL AND GAS DIV.
SAN JUAN BASIN FIELD

DATE: 10-9-90TRANSMIT TO (City or Business) OCDTO: Mike StangerFROM: Stargie HattisNO. OF PAGES: 1 PLUS COVER

COMMENTS: _____

UNOCAL OIL AND GAS DIV.
3300 NORTH BUTLER SUITE #200
FARMINGTON, N.M. 87401
TEL# 505-326-7600 / DEX# 505-326-6145



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 4, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Union Oil Company of California
3300 North Butler Avenue
Suite 200
Farmington, NM 87401

Attention: Bill Hering

RE: Unorthodox coal gas well location application, Rincon Unit No. 117, 1750' FSL & 990' FEL (Unit I) Section 21, Township 27 North, Range 6 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico. The E/2 of said Section 21 to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

Dear Mr. Hering:

In reviewing the subject application, it was found that Union Oil Company of California (Unocal) has an approved "Application for Permit to Drill" - APD (see copy of BLM form 3160-3 attached) for its Rincon Unit Well No. 244 to test the Basin-Fruitland Coal Gas Pool at a standard coal gas well location 1430 feet from the North line and 1365 feet from the East line (Unit G) of said Section 21. Also, by OCD Form C-102 for the No. 244 well (see copy attached), the E/2 of the section is to be dedicated to this well.

Before I may proceed with this application, please contact me as to Unocal's intentions of developing the Fruitland Coal zone in the E/2 of this Section.

Should you have any questions, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Union Oil Company of California

3. ADDRESS OF OPERATOR

1004 N. Big Spring St. #635, Midland, TX 79701-3340

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface:

1430' FNL and 1365' FEL, Sec 21, T27N, R6W

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 40 miles southeast of Bloomfield, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1365

16. NO. OF ACRES IN LEASE

2558.72

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

750

19. PROPOSED DEPTH

3257'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6527' GL

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal procedures under 3165.4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	
12-1/4"	8-5/8"	24 #	225'	175 sacks to surface
7-7/8"	5-1/2"	17 #	3257'	410 sacks to surface

Proposed Drilling Program

MIRU. Drill 12-1/4" hole with spud mud to 225'. Survey. Rig up and run casing and cement as outlined in attached drilling plan. WOC @ 18 hours. NUBOP, choke, and kill line (2000#) and test same plus casing. Drill out with 7-7/8" hole from 225' to T.D. with fresh water mud. Run surveys @ 500' intervals or first bit trip succeeding 500'. At T.D. log with DISFL, GR, SP, FDC, CNL-GR. Run and cement casing as outlined in attached drilling plan. RDMOL

RECEIVED

FEB 20 1990

OIL CON. DIV.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE Agent for UNOCAL

DATE 10/27/89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED

FEB 14 1990

AREA MANAGER

NMOCD

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <u>Unocal, Inc.</u>			Lease <u>Rincon Unit</u>			Well No. <u>Unit #244</u>		
Unit Letter <u>G</u>	Section <u>21</u>	Township <u>T.27 N.</u>	Range <u>R.6 W.</u>	County <u>NMPM</u>		<u>Rio Arriba</u>		
Actual Footage Location of Well: <u>1430'</u> feet from the <u>North</u> line and <u>1365'</u> feet from the <u>East</u> line								
Ground level Elev. <u>6527'</u>		Producing Formation <u>Fruitland Coal</u>		Pool <u>Basin Fruitland Coal</u>		Dedicated Acreage: <u>320</u> Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

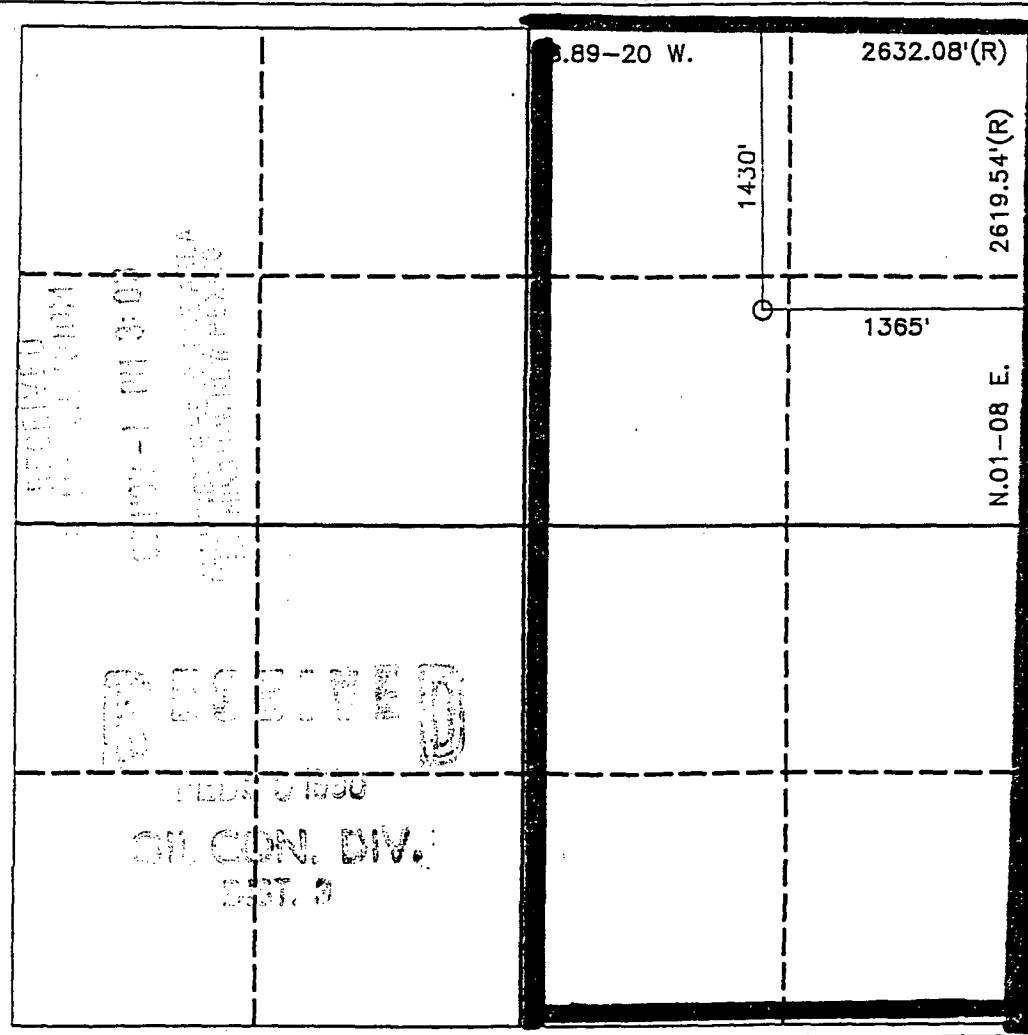
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☒ Yes ☐ No If answer is "yes" type of consolidation Unitization

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Chris Russell
Signature

Chris Russell
Printed Name

Agent
Position

UNOCAL
Company

10/27/89
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

10-05-89
Date Surveyed

R. Howard Daggett
Signature & Seal of Professional Surveyor

R. Howard Daggett
Professional Surveyor

8679
Certificate No.

8679
Registered Professional

8679
Land Surveyor