

Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, P.O. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811

2-27-95

PC-902

801504

11 55 1 11 6 52



January 30, 1995

Certified Return Receipt No.: P909423599

New Mexico Oil Conservation Division
Attn.: Mr. William J. LeMay
PO Box 2088
Santa Fe, New Mexico 87504-2088

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

Dear Sirs:

Union Oil Company of California d.b.a. UNOCAL requests permission to surface commingle hydrocarbon production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit well, Rio Arriba County, New Mexico.

Well	Legal Location
Rincon Unit 183E	1880' FSL, 2080' FEL, S31, T27N, R6W

This well was drilled in August, 1994 and intended to be completed in the Dakota and Tocito formations. Initial test of the Tocito indicated a dry hole. The well is currently producing from the Dakota. It is UNOCAL's intention to complete this well as a dual string Blanco Mesa Verde and Basin Dakota; an application for multiple completion is pending approval.

It is the intention of UNOCAL to commingle, in common surface facilities, commonly owned hydrocarbon production from the Blanco Mesa Verde and Basin Dakota. Allocation factors for gas and oil production from each zone will be determined semiannually by flowing each zone independently through the custody transfer meter or a test separator. The commercial value of this surface commingled production will not be less than the sum of the values of the production from the individual Mesa Verde and Dakota horizons.

This wellbore and facilities arrangement is the future for UNOCAL's continued development and efficient operation of the Rincon Unit. In 1992 - 94 Unocal drilled and completed, with 5-1/2" casing and 2-3/8" tubing, a number of commingled Dakota/Mesa Verde gas wells. At that time drilling and completing Dakota/Mesa Verde wells with 7" casing, dual tubing strings and dual facilities was uneconomic. Significant improvements in our gathering system compression has made it practical to drill and complete some future Dakota/Mesa Verde wells with 7" casing, dual tubing strings and one set of surface facilities. The additional cost of 7" casing, an additional string of tubing and a packer will be offset by reduced surface facilities costs (surface commingle) and the ability to take full advantage of lower gathering system pressures.

It has been our experience that Dakota wells require at least 180 psig backpressure in order to prevent liquid loadup. The Mesa Verde wells will produce without loadup problems against gathering system pressures as low as 60 psig. Surface commingled facilities will allow the requisite backpressure to be held on the Dakota while the Mesa Verde produces at the lower gathering system pressure.

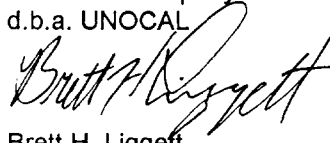
As required for rule NMOCD Rule 303, the following information is attached:

1. Gas analysis from the 183E DK.
2. Gas analysis from recently drilled Rincon Unit DK/MV wells
3. Production rates from the 183E DK and expected IP from the 183E MV horizon.
4. Wellbore and surface facilities schematic.
5. Copies of notification letters sent to all offset operators (if any) and BLM.
6. Acreage dedication plat showing offset lease ownership.

If you have any questions, please contact me at (505) 632-1811 ext. 21. Thank you for your consideration in this matter.

Sincerely,

Union Oil Company of California
d.b.a. UNOCAL

A handwritten signature in black ink, appearing to read "Brett H. Liggett", is written over the typed name.

Brett H. Liggett
Production Engineer

GAS ANALYSIS

WELL NAME	TEST DATE	NITROGEN	CO2	METHANE	ETHANE	PROPANE	I-BUTANE	N-BUTANE	I-PENTANE	N-PENTANE	HEXANE+	BTUS	GPM	SPEC GRAV
RINCON #127	DK 11/23/94	0.310	1.150	86.570	6.980	2.760	0.500	0.730	0.270	0.20	0.530	1159.0	3.424	0.670
RINCON #128	MV 11/23/94	0.310	1.150	86.570	6.980	2.760	0.500	0.730	0.270	0.20	0.530	1159.0	3.424	0.670
RINCON #129	DK 06/10/94	0.260	1.160	85.010	7.670	3.250	0.630	0.850	0.350	0.23	0.590	1184.0	3.890	0.685
RINCON #130	MV 06/10/94	0.260	1.160	85.010	7.670	3.250	0.630	0.850	0.350	0.23	0.590	1184.0	3.890	0.685
RINCON #131	DK 11/17/94	0.210	1.320	87.950	6.430	2.000	0.510	0.520	0.280	0.16	0.620	1141.0	3.034	0.660
RINCON #132	MV 11/17/94	0.450	1.070	83.080	8.230	4.220	0.790	1.090	0.370	0.24	0.460	1207.0	4.390	0.701
RINCON #133	DK 12/07/93	0.290	1.050	87.540	6.460	2.770	0.540	0.660	0.270	0.17	0.230	1140.4	3.139	0.656
RINCON #134	MV 12/07/93	0.280	1.050	87.540	6.460	2.770	0.540	0.660	0.270	0.17	0.230	1140.4	3.139	0.656
RINCON #135	DK 09/15/93	0.280	1.160	84.870	8.010	2.940	0.680	0.800	0.430	0.25	0.580	1182.1	3.927	0.685
RINCON #136	MV 05/13/92	0.390	1.020	81.780	10.520	4.220	0.600	0.840	0.280	0.19	0.160	1198.0	4.679	0.694
RINCON #137	DK 11/17/94	0.300	1.240	84.850	8.010	3.050	0.600	0.800	0.340	0.23	0.580	1190.0	3.892	0.684
RINCON #138	MV 11/17/94	0.230	1.280	84.060	8.420	3.260	0.640	0.880	0.370	0.25	0.600	1192.0	4.128	0.692
RINCON #139	DK 11/18/94	0.450	0.780	79.710	10.320	5.030	0.880	1.390	0.470	0.35	0.620	1260.0	5.443	0.730
RINCON #140	MV 04/15/94	0.260	1.000	86.830	7.120	2.350	0.520	0.650	0.290	0.19	0.490	1151.0	3.317	0.666
RINCON #141	DK 03/29/94	0.550	0.590	79.100	11.220	5.500	0.640	1.060	0.430	0.35	0.560	1259.0	5.588	0.727
RINCON #142	MV 10/23/94	0.270	1.190	81.230	9.850	4.130	0.780	1.120	0.460	0.31	0.660	1232.0	4.849	0.717
RINCON #143	DK 10/23/94	0.270	1.190	81.230	9.850	4.130	0.780	1.120	0.460	0.31	0.660	1232.0	4.849	0.717
RINCON #144	MV 04/15/94	0.200	1.180	81.380	10.020	4.020	0.740	1.180	0.470	0.33	0.470	1226.0	4.902	0.712
RINCON #145	DK 04/15/94	0.580	0.730	78.580	10.230	5.830	1.020	1.470	0.480	0.34	0.740	1281.0	6.763	0.744
RINCON #146	MV 04/13/94	0.430	1.240	84.220	8.530	2.970	0.630	0.760	0.340	0.22	0.640	1184.0	4.036	0.686
RINCON #147	DK 04/13/94	0.330	1.210	84.030	8.690	3.110	0.660	0.820	0.330	0.22	0.600	1186.0	4.120	0.690
RINCON #148	MV 04/13/94	0.220	1.080	83.600	9.320	3.440	0.560	0.880	0.330	0.22	0.340	1189.0	4.254	0.687
RINCON #149	DK 08/15/93	0.220	1.072	84.804	8.487	3.185	0.484	0.824	0.307	0.24	0.378	1177.1	3.930	0.678
RINCON #150	MV 12/12/92	0.219	1.072	84.804	8.487	3.185	0.484	0.824	0.307	0.24	0.378	1177.1	3.930	0.678
RINCON #151	DK 11/11/94	0.210	1.120	84.930	8.400	3.100	0.520	0.850	0.280	0.18	0.410	1175.0	3.866	0.678
RINCON #152	MV 11/11/94	0.440	0.600	77.270	12.190	5.690	0.940	1.600	0.460	0.32	0.490	1266.0	6.138	0.744
RINCON #153	DK 11/18/94	0.380	1.200	88.310	6.080	1.900	0.550	0.660	0.250	0.19	0.450	1134.0	2.905	0.655
RINCON #154	MV 11/30/94	0.380	1.180	84.630	7.900	3.110	0.610	0.950	0.390	0.27	0.580	1186.0	3.964	0.688
RINCON #155	DK 10/07/94	0.230	1.010	82.500	9.610	3.930	0.660	1.050	0.370	0.26	0.410	1210.0	4.600	0.699
RINCON #156	MV 10/07/94	0.230	1.010	82.500	9.610	3.930	0.660	1.050	0.370	0.26	0.410	1210.0	4.600	0.699
RINCON #157	DK 12/08/93	0.280	1.040	86.780	7.010	2.800	0.550	0.710	0.300	0.19	0.330	1152.0	3.371	0.663
RINCON #158	MV 12/08/93	0.280	1.040	86.780	7.010	2.800	0.550	0.710	0.300	0.19	0.330	1152.0	3.371	0.663
RINCON #159	DK 11/10/94	0.240	1.090	83.010	9.160	3.690	0.710	0.990	0.380	0.24	0.550	1207.0	4.458	0.698
RINCON #160	MV 11/10/94	0.240	1.090	83.010	9.160	3.690	0.710	0.990	0.380	0.24	0.550	1207.0	4.458	0.698
RINCON #161	DK 10/14/94	0.230	1.010	86.060	7.620	2.890	0.540	0.770	0.280	0.19	0.410	1165.0	3.605	0.671
RINCON #162	MV 10/14/94	0.230	1.010	86.060	7.620	2.890	0.540	0.770	0.280	0.19	0.410	1165.0	3.605	0.671
RINCON #163	DK 10/31/94	0.330	1.120	83.640	8.800	3.640	0.670	0.890	0.340	0.21	0.360	1190.0	4.214	0.689
RINCON #164	MV 10/31/94	0.330	1.120	83.640	8.800	3.640	0.670	0.890	0.340	0.21	0.360	1190.0	4.214	0.689
RINCON #165	DK 11/26/94	0.360	1.140	82.250	9.290	3.880	0.710	1.040	0.410	0.28	0.640	1217.0	4.844	0.707
RINCON #166	MV 11/26/94	0.360	1.140	82.250	9.290	3.880	0.710	1.040	0.410	0.28	0.640	1217.0	4.844	0.707
RINCON #167	DK 09/26/94	0.270	1.170	85.810	7.490	2.830	0.600	0.740	0.310	0.19	0.590	1171.0	3.652	0.677
RINCON #168	MV 09/26/94	0.270	1.170	85.810	7.490	2.830	0.600	0.740	0.310	0.19	0.590	1171.0	3.652	0.677
RINCON #169	DK 12/30/93	0.260	1.010	81.930	9.580	4.090	0.680	1.080	0.400	0.29	0.710	1228.0	4.807	0.711
RINCON #170	MV 12/30/93	0.260	1.010	81.930	9.580	4.090	0.680	1.080	0.400	0.29	0.710	1228.0	4.807	0.711

UNOCAL, Rincon Unit, 183E

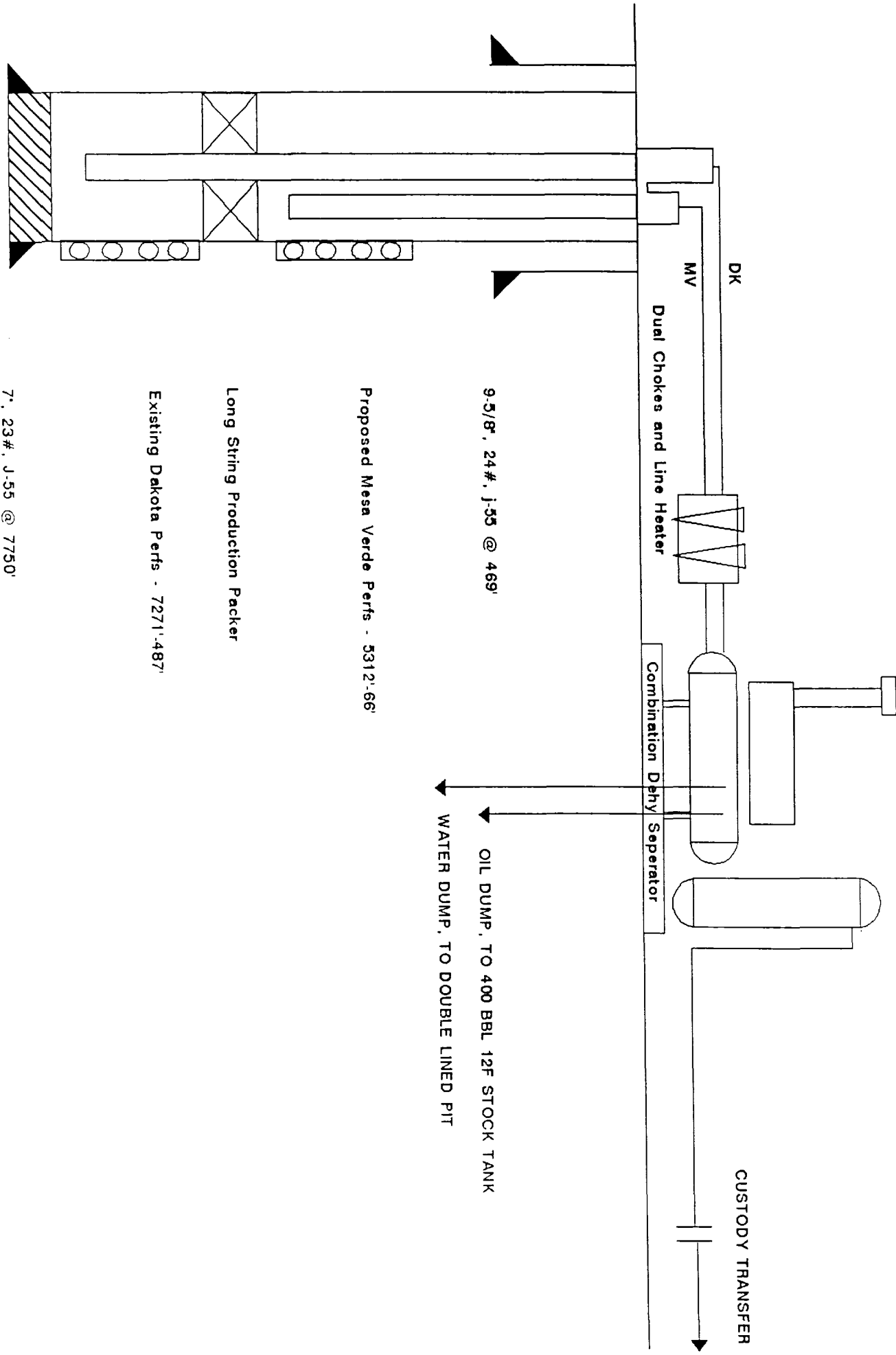
Dakota-

<u>Month</u>	<u>Gas (Mcf/d)</u>	<u>Oil (bbl/day)</u>	<u>Water (bbl/day)</u>
1/95	428	1.6	1.3
12/94	467	2.8	0.7
11/94	417	3.0	3.0

Mesa Verde (Predicted)-

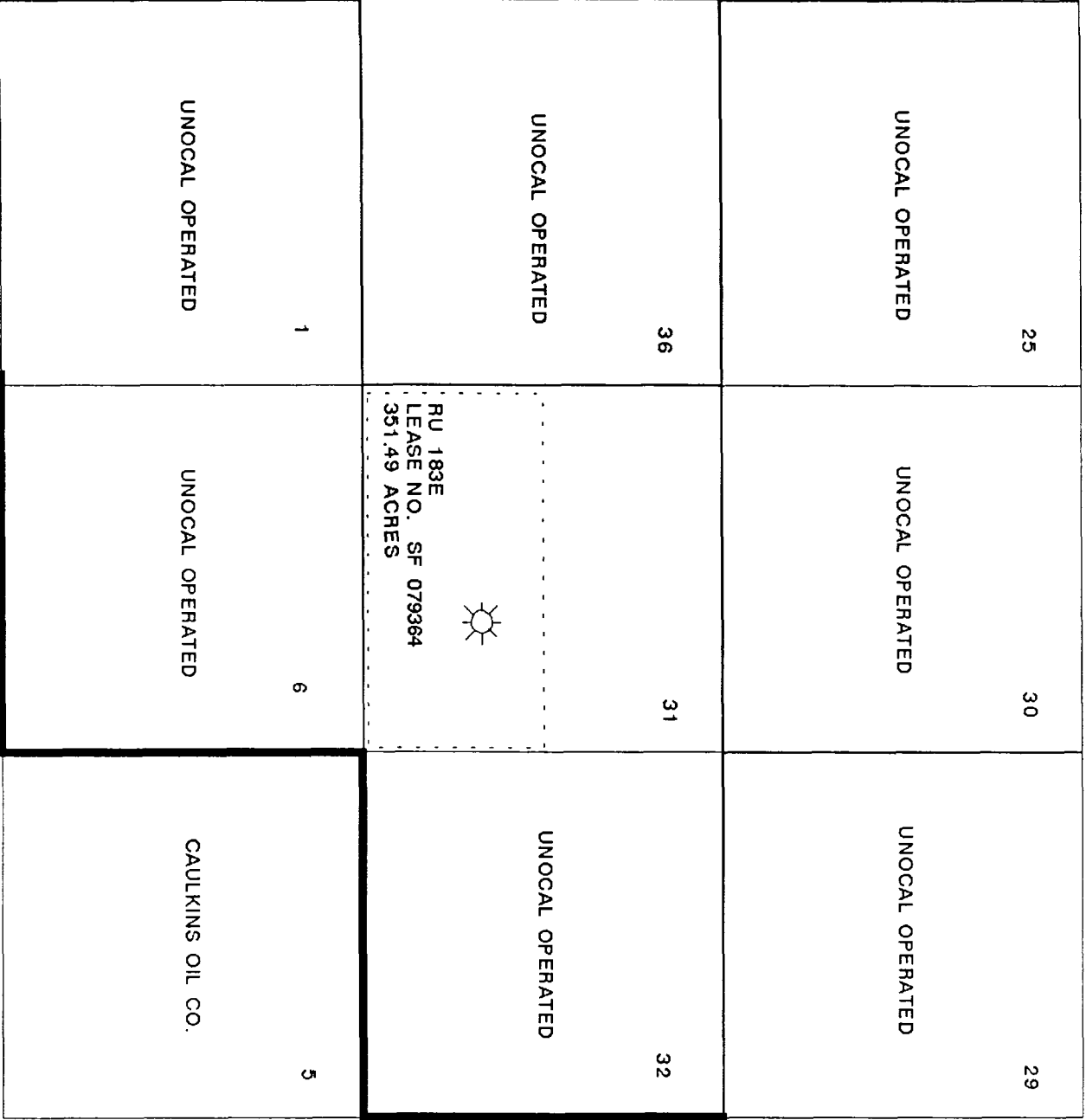
<u>Month</u>	<u>Gas (Mcf/d)</u>	<u>Oil (bbl/day)</u>	<u>Water (bbl/day)</u>
2/95	300	<5	<5

RINCON UNIT, 183E, WBD & SURFACE COMMINGLE FACILITIES



7", 23#, J-55 @ 7750'

RINCON UNIT BOUNDARY	
SECTION	
TOWNSHIP / RANGE	
DEDICATED ACREAGE	



UNOCAL, RINCON UNIT, 183E

Unocal Oil & Gas Division
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913 West Broadway, P.O. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811

UNOCAL ⁷⁶

January 30, 1995

United State Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Greetings:

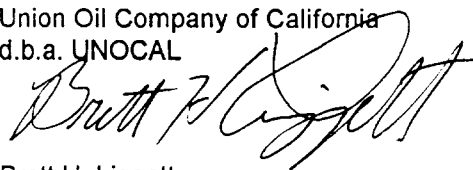
Union Oil Company of California (UNOCAL) has requested, from the State of New Mexico, Oil Conservation Division, permission to surface commingle production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit wells, Rio Arriba County, New Mexico.

<u>Well</u>	<u>Legal Location</u>
Rincon Unit 183E	1880' FSL, 2080' FEL, S31, T27N, R6W

If you have any objections to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact me at (505) 532-1811 ext. 21.

Sincerely,

Union Oil Company of California
d.b.a. UNOCAL



Brett H. Liggett
Production Engineer

RINCON UNIT #183E
Rio Arriba County, NM
S31, T27N-R06W

WORKSTATION 43 - USER GCL - Douglas V. Lee

7:32:27 am Thursday February 2, 1995

8:31 No. 001 P.02

FEB 02 '95

ID:505-599-2251

EPNG MEASUREMENT

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*****
****      1      2      3      4      5      6      7      8 ****
**** 123456789012345678901234567890123456789012345678901234567890 ****
*****
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*****

          Field Measurement
    Chromatograph History                      G1PO420

MTR #      97 739
Dataset    D307
Sampled    941102
BTU        1173
Gravity    0.676
GPM        03.899
GR H2S     0000

% H2S      00.00
% N2       00.21
% C1       84.87
% CO2      01.09
% C2       08.51
% C3       03.12
% IC4      00.53
% NC4      00.85
% IC5      00.29
% NC5      00.21
% C6+      00.32

PF5 - Next Records      PF8 - Find Meter      PF16 - Exit
*****
****      1      2      3      4      5      6      7      8 ****
**** 123456789012345678901234567890123456789012345678901234567890 ****
*****
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Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, P.O. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811

UNOCAL 76

January 30, 1995

Caulkins Oil Co.
1997 E. Blanco Blvd
Bloomfield, New Mexico 87413

Greetings:

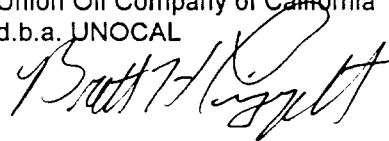
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d.b.a. UNOCAL



Brett H. Liggett
Production Engineer