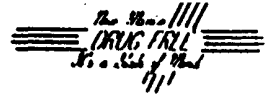




STATE OF NEW MEXICO
 ENERGY, MINERALS and NATURAL RESOURCES DIVISION
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE



BRUCE KING
 GOVERNOR

ANITA LOCKWOOD
 CABINET SECRETARY

1000 RIO BRAZOS ROAD
 AZTEC, NEW MEXICO 87410
 (505) 334-6178

Date: 3/8/95

*To be drilled
 Rincon at 303E
 33-27-07
 not permitted as of: 7-21-98*

Oil Conservation Division
 P.O. Box 2088
 Santa Fe, NM 87504-2088

RE: Proposed MC _____
 Proposed NSL _____
 Proposed WFX _____
 Proposed NSP _____

Proposed DHC _____
 Proposed SWD _____
 Proposed PMX _____
 Proposed DD _____

Surface Commings

Gentlemen:

I have examined the application received on 3/2/95

for the Ulmoal OPERATOR Rincon Unit LEASE & WELL NO.

several wells and my recommendations are as follows:
 UL-S-T-R

Approve

Yours truly,
[Signature]

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



March 1, 1995

Certified Return Receipt No.: P909423602

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

RECEIVED
MAR - 2 1995
OIL CON. DIV.
DIST. 3

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 wells, Rio Arriba County, New Mexico.

Well	Legal Location
131E	1145' FSL, 1525' FWL, S36, T27N, R7W
134E	800' FSL, 800' FEL, S12, T26N, R7W
149M	1900' FNL, 1365' FWL, S30, T27N, R6W
166E	1980' FNL, 1980' FWL, S32, T27N, R6W
176E	1505' FNL, 1850' FWL, S31, T27N, R6W
178E	1450' FSL, 1450' FEL, S23, T27N, R7W
185E	1550' FSL, 1505' FEL, S22, T27N, R7W
231E	1145' FNL, 790' FWL, S12, T26N, R7W
304	1850' FNL, 1480' FEL, S11, T26N, R7W
304M	1020' FSL, 795' FEL, S11, T26N, R7W
193M	1000' FNL, 1190' FWL, S35, T27N, R7W
227E	800' FSL, 800' FWL, S28, T27N, R7W
303E	1850' FNL, 830' FEL, S33, T27N, R7W
124A	2025' FNL, 1610' FWL, S34, T27N, R7W

39-25403

These wells will be drilled during the Summer of 1995. It is UNOCAL's intention to complete these wells as dual string Blanco Mesa Verde and Basin Dakota and to surface commingle, in common 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 not economical. Significant improvements in our gathering system compression has made it practical to drill and complete future Dakota/Mesa Verde wells with 7" casing, dual tubing strings and one set of surface facilities. The additional cost of to drill and set 7" casing, and run 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 NMOCD Rule 303, the following information is attached:

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

If you have any questions, please contact me at (505) 632-1811 ext.14. Thank you for your consideration in this matter.

Sincerely,

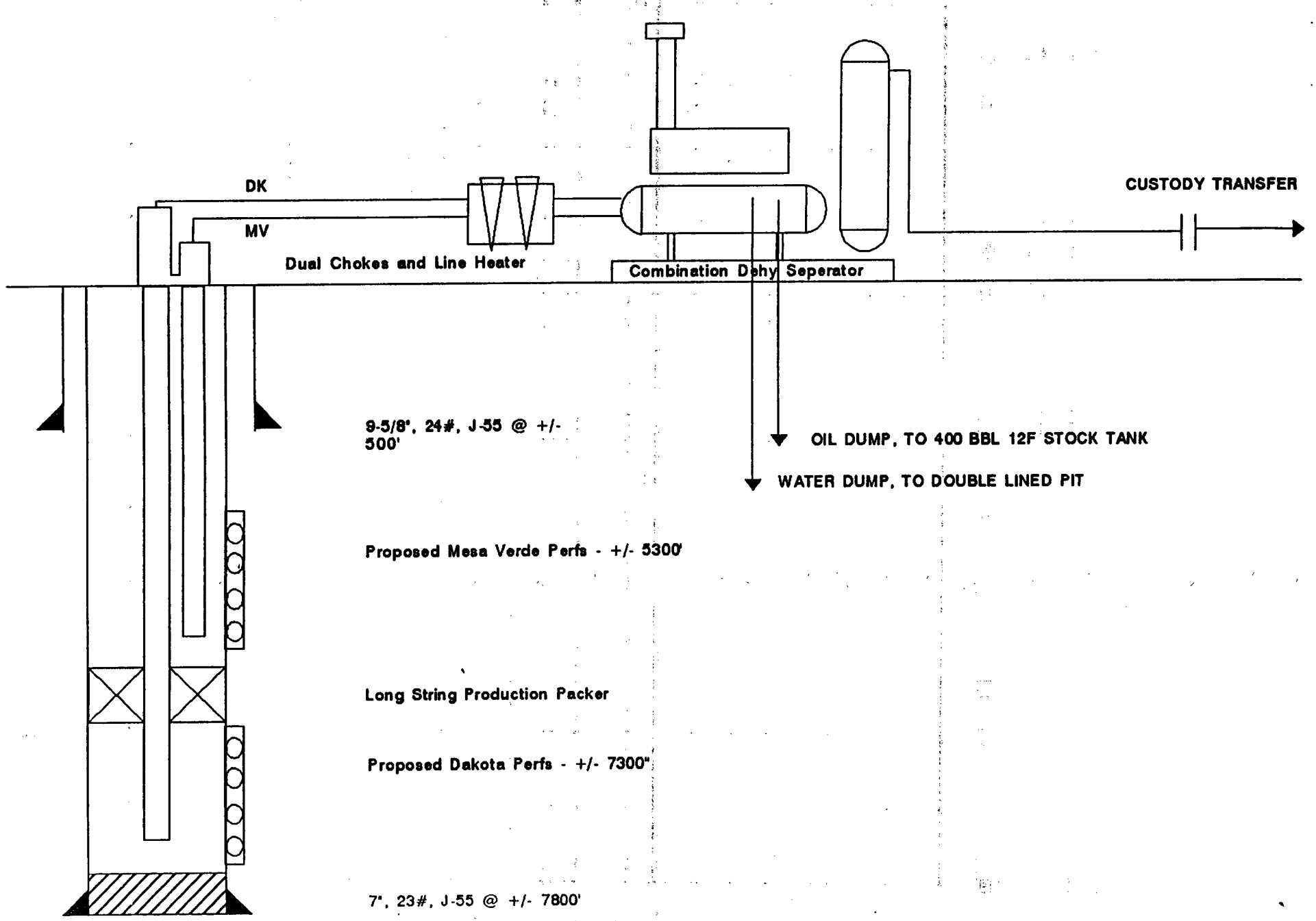
Union Oil Company of California
d.b.a. UNOCAL


Brett H. Liggett
Production Engineer

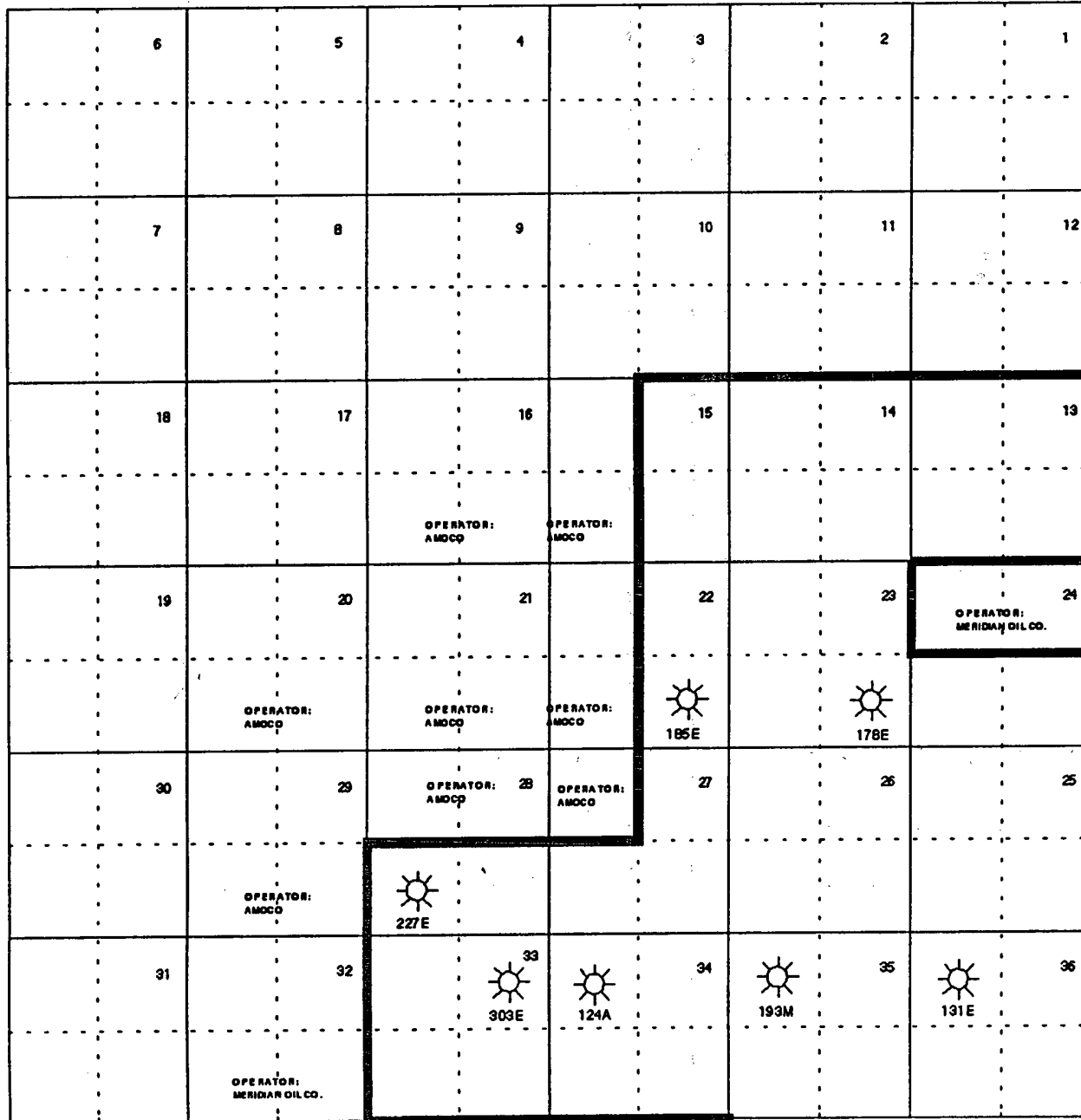
GAS ANALYSIS

WELL NAME	ZONE	TEST DATE	NITROGEN	CO2	METHANE	ETHANE	PROPANE	I-BUTANE	N-BUTANE	I-PENTANE	N-PENTANE	HEXANE+	BTU'S	GPM	SPEC GRAV
RINCON #1E	DK	11/23/94	0.310	1.150	86.570	6.980	2.780	0.500	0.730	0.270	0.20	0.530	1159.0	3.424	0.670
	MV	11/23/94	0.310	1.150	86.570	6.980	2.780	0.500	0.730	0.270	0.20	0.530	1159.0	3.424	0.670
RINCON #125M	DK	06/10/94	0.260	1.180	85.010	7.670	3.250	0.630	0.850	0.350	0.23	0.590	1184.0	3.890	0.685
	MV	06/10/94	0.260	1.180	85.010	7.670	3.250	0.630	0.850	0.350	0.23	0.590	1184.0	3.890	0.685
RINCON #126	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
	MV	11/18/94	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 #128M	DK	12/07/93	0.290	1.050	87.540	6.460	2.770	0.540	0.680	0.270	0.17	0.230	1140.4	3.139	0.656
	MV	12/07/93	0.290	1.050	87.540	6.460	2.770	0.540	0.680	0.270	0.17	0.230	1140.4	3.139	0.656
RINCON #127	DK	09/15/93	0.280	1.180	84.870	8.010	2.940	0.680	0.800	0.430	0.25	0.580	1182.1	3.927	0.685
	MV	05/13/92	0.390	1.020	81.780	10.520	4.220	0.800	0.840	0.280	0.19	0.160	1199.0	4.679	0.694
RINCON #127M	DK	11/17/94	0.300	1.240	84.850	8.010	3.050	0.600	0.800	0.340	0.23	0.580	1180.0	3.892	0.684
	MV	11/17/94	0.300	1.240	84.850	8.010	3.050	0.600	0.800	0.340	0.23	0.580	1180.0	3.892	0.684
RINCON #128	DK	11/18/94	0.230	1.280	84.060	8.420	3.260	0.640	0.890	0.370	0.25	0.600	1192.0	4.128	0.692
	MV	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 #129	DK	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
	MV	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 #129M	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	4.949	0.717
	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	4.949	0.717
RINCON #130	DK	04/15/94	0.200	1.180	81.380	10.020	4.020	0.740	1.190	0.470	0.33	0.470	1226.0	4.902	0.712
	MV	04/15/94	0.580	0.730	78.580	10.230	5.630	1.020	1.470	0.480	0.34	0.740	1281.0	5.763	0.744
RINCON #135	DK	04/13/94	0.430	1.240	84.220	8.530	2.970	0.630	0.780	0.340	0.22	0.640	1184.0	4.036	0.688
	MV	04/13/94	0.330	1.210	84.030	8.690	3.110	0.640	0.820	0.350	0.22	0.600	1188.0	4.120	0.690
RINCON #136E	DK	06/15/93	0.220	1.080	83.600	9.320	3.440	0.560	0.890	0.330	0.22	0.340	1189.0	4.254	0.687
	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 #137	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	3.886	0.678
	MV	11/11/94	0.440	0.600	77.270	12.190	5.690	0.940	1.600	0.460	0.32	0.490	1286.0	6.138	0.744
RINCON #149	DK	11/18/94	0.380	1.200	88.310	6.080	1.900	0.550	0.690	0.250	0.19	0.450	1134.0	2.905	0.655
	MV	11/30/94	0.380	1.180	84.630	7.900	3.110	0.610	0.950	0.390	0.27	0.560	1186.0	3.964	0.688
RINCON #181M	DK	10/07/94	0.230	1.010	82.500	9.610	3.930	0.660	1.020	0.370	0.26	0.410	1210.0	4.600	0.699
	MV	10/07/94	0.230	1.010	82.500	9.610	3.930	0.660	1.020	0.370	0.26	0.410	1210.0	4.600	0.699
RINCON #168M	DK	12/08/93	0.290	1.040	86.780	7.010	2.800	0.550	0.710	0.300	0.19	0.330	1152.0	3.371	0.663
	MV	12/08/93	0.290	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 #169M	DK	11/10/94	0.240	1.090	83.010	9.160	3.690	0.710	0.930	0.380	0.24	0.550	1207.0	4.458	0.698
	MV	11/10/94	0.240	1.090	83.010	9.160	3.690	0.710	0.930	0.380	0.24	0.550	1207.0	4.458	0.698
RINCON #167M	DK	10/14/94	0.230	1.010	86.080	7.620	2.890	0.540	0.770	0.280	0.19	0.410	1165.0	3.605	0.671
	MV	10/14/94	0.230	1.010	86.080	7.620	2.890	0.540	0.770	0.280	0.19	0.410	1165.0	3.605	0.671
RINCON #170M	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
	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 #175M	DK	11/28/94	0.360	1.140	82.250	9.290	3.880	0.710	1.040	0.410	0.28	0.640	1217.0	4.644	0.707
	MV	11/28/94	0.360	1.140	82.250	9.290	3.880	0.710	1.040	0.410	0.28	0.640	1217.0	4.644	0.707
RINCON #180M	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
	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 #184M	DK	12/30/93	0.250	1.010	81.930	9.580	4.090	0.680	1.060	0.400	0.29	0.710	1228.0	4.807	0.711
	MV	12/30/93	0.250	1.010	81.930	9.580	4.090	0.680	1.060	0.400	0.29	0.710	1228.0	4.807	0.711

RINCON UNIT, WBD & SURFACE COMMINGLE FACILITIES



UNOCAL, RINCON UNIT, T27N R7W



UNIT BOUNDARY

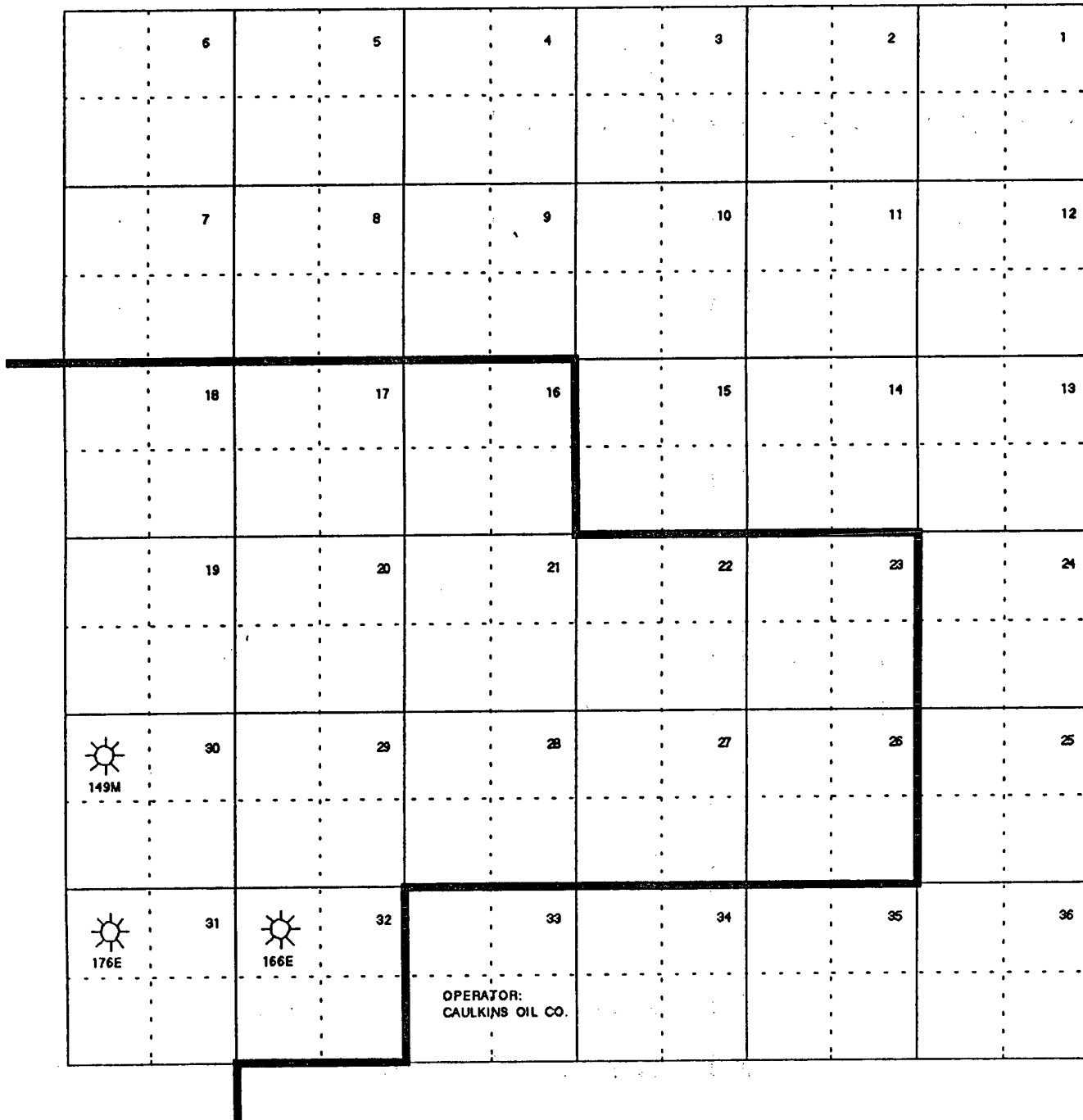


UNOCAL, RINCON UNIT, T26N R7W

6	5 <small>OPERATOR: LOUIS DRYEYUS CORP</small>	4 <small>OPERATOR: CENTRAL RESOURCES INC. UNIVERSAL RESOURCES INC.</small>	3 <small>OPERATOR: CENTRAL RESOURCES INC. UNIVERSAL RESOURCES INC.</small>	2	1
7	8	9	10 <small>OPERATOR: CENTRAL RESOURCES INC. UNIVERSAL RESOURCES INC.</small>	11 ☀️ 304	12 ☀️ 231E
18	17	16	15 <small>OPERATOR: LOUIS DRYEYUS CORP BYNDER OIL CORP</small>	14 <small>OPERATOR: CALKINS OIL CO.</small>	13 <small>OPERATOR: CALKINS OIL CO.</small>
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

UNIT BOUNDARY

UNOCAL, RINCON UNIT, T27N R6W



UNIT BOUNDARY



UNOCAL, RINCON UNIT, T26N R6W

6	5	4	3	2	1
	OPERATOR: CAULKINS OIL CO.	OPERATOR: CAULKINS OIL CO.			
7	8	9	10	11	12
OPERATOR: CAULKINS OIL CO.					
18	17	16	15	14	13
OPERATOR: CAULKINS OIL CO.					
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

UNIT BOUNDARY 

UNOCAL 76

March 1, 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>
131E	1145' FSL, 1525' FWL, S36, T27N, R7W
134E	800' FSL, 800' FEL, S12, T26N, R7W
149M	1900' FNL, 1365' FWL, S30, T27N, R6W
166E	1980' FNL, 1980' FWL, S32, T27N, R6W
176E	1505' FNL, 1850' FWL, S31, T27N, R6W
178E	1450' FSL, 1450' FEL, S23, T27N, R7W
185E	1550' FSL, 1505' FEL, S22, T27N, R7W
231E	1145' FNL, 790' FWL, S12, T26N, R7W
304	1850' FNL, 1480' FEL, S11, T26N, R7W
304M	1020' FSL, 795' FEL, S11, T26N, R7W
193M	1000' FNL, 1190' FWL, S35, T27N, R7W
227E	800' FSL, 800' FWL, S28, T27N, R7W
303E	1850' FNL, 830' FEL, S33, T27N, R7W
124A	2025' FNL, 1610' FWL, S34, T27N, R7W

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) 632-1811 ext. 14.

Sincerely,

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


Brett H. Liggett
Production Engineer

UNOCAL 76

March 1, 1995

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

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>
304	1850' FNL, 1480 FEL, S11, T26N, R7W
304M	1020' FSL, 795' FEL, S11, T26N, R7W
231E	1145' FNL, 790' FWL, S12, T26N, R7W
134E	800' FSL, 800' FEL, S12, T26N, R7W
166E	1980' FNL, 1980' FWL, S32, T27N, R6W
176E	1505' FNL, 1850' FWL, 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) 632-1811 ext. 14.

Sincerely,

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



Brett H. Liggett
Production Engineer

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

UNOCAL 76

March 1, 1995

Snyder Oil Co.
PO BOX 2038
Farmington, New Mexico 87499

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.

Well	Legal Location
304	1850' FNL, 1480 FEL, S11, T26N, R7W
304M	1020' FSL, 795' FEL, S11, T26N, R7W

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) 632-1811 ext. 14.

Sincerely,

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


Brett H. Liggett
Production Engineer

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

UNOCAL 76

March 1, 1995

Louis Dryefus Natural Gas Co.
PO BOX 2993
Farmington, New Mexico 87499

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>
304	1850' FNL, 1480 FEL, S11, T26N, R7W
304M	1020' FSL, 795' FEL, S11, T26N, R7W
303E	1850' FNL, 830' FEL, S33, T27N, R7W

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) 632-1811 ext. 14.

Sincerely,

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


Brett H. Liggett
Production Engineer

UNOCAL 76

March 1, 1995

Meridian Oil Co.
3535 E. 30th St.
Farmington, New Mexico 87402

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>
178E	1450' FSL, 1450' FEL, S23, T27N, R7W
227E	800' FSL, 800' FWL, S28, T27N, R7W
303E	1850' FNL, 830' FEL, S33, T27N, R7W

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) 632-1811 ext. 14.

Sincerely,

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


Brett H. Liggett
Production Engineer

UNOCAL 76

March 1, 1995

Amoco Production Co.
200 Amoco Ct.
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.

Well	Legal Location
185E	1550' FSL, 1505 FEL, S22, T27N, R7W
178E	1450' FSL, 1450' FEL, S23, T27N, R7W
227E	800' FSL, 800' FWL, S28, T27N, R7W

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) 632-1811 ext. 14.

Sincerely,

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


Brett H. Liggett
Production Engineer

UNOCAL 76

March 1, 1995

Central Resources Inc.
1776 Lincoln Street #1010
Denver, CO 80203

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.

Well	Legal Location
304	1850' FNL, 1480 FEL, S11, T26N, R7W
304M	1020' FSL, 795' FEL, S11, T26N, R7W
303E	1850' FNL, 830' FEL, S33, T27N, R7W
124A	2025' FNL, 1610' FWL, S34, T27N, R7W
193M	1000' FNL, 1190' FWL, S35, T27N, R7W

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) 632-1811 ext. 14.

Sincerely,

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


Brett H. Liggett
Production Engineer

UNOCAL 76

March 1, 1995

Universal Resources Inc.
1331 Central Street #300
Denver, CO 80202

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.

Well	Legal Location
304	1850' FNL, 1480 FEL, S11, T26N, R7W
304M	1020' FSL, 795' FEL, S11, T26N, R7W
303E	1850' FNL, 830' FEL, S33, T27N, R7W
124A	2025' FNL, 1610' FWL, S34, T27N, R7W
193M	1000' FNL, 1190' FWL, S35, T27N, R7W

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) 632-1811 ext. 14.

Sincerely,

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


Brett H. Liggett
Production Engineer