

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

UNOCAL 76

September 17, 1992

Farmington District

New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87503

Attn: Division Director

SUBJECT:

Application for Administrative
Approval for Multiple Completion
Rincon Unit #57-E
Basin Dakota/Largo Gallup Fields
Rio Arriba County, New Mexico

0-01-26N-07W

RECEIVED
SEP 23 1992
OIL CON. DIV.
DIST. 3

Dear Sir:

Attached you will find Form C-107 (Application for Multiple Completion) with attachments for the Rincon Unit #57-E. Unocal requests administrative approval for multiple completion of the Dakota and the Gallup formations based on meeting the requirements as set forth in Rule 112-A (D).

The well will be completed as a conventional mechanical installation as defined in Rule 112-A (D) (1) (a) and described below (wellbore schematic is attached):

- Requirements for a conventional mechanical installation
 - The well will be completed as a gas-gas dual efficiently produced through a combination of tubing string and the tubing-casing annulus, and
 - The tubing string will have a nominal inside diameter of 1.995" (2 3/8" 4.7# EUE), and
 - The downhole equipment used to segregate the separate zones of the completion will be a production packer and a closed sliding sleeve in the tubing string. The production packer will undergo an initial packer test upon first delivery into the pipeline (the packer test will be run after connection to the pipeline to eliminate unnecessary venting of gas), and a packer test will be run annually thereafter to confirm packer and sliding sleeve integrity.

Rule 112-A (C) (2) requires proof that wells producing more than one barrel per day of liquids can be efficiently produced without

undue use of reservoir energy for the expected producing life of the well.

- Efficiency of liquids production

The well will be completed utilizing 2 3/8" tubing as the flow string for the Dakota Zone and the 5 1/2" X 2 3/8" annulus for the Gallup. Liquid production efficiency is obtained through:

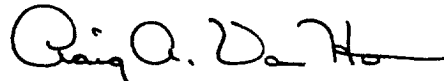
- (1) Installation of a closed sliding sleeve in the 2 3/8" tubing in conjunction with continuous monitoring of liquid loading, production rates, and bottom hole pressure. At any time during the life of the well that monitoring indicates fluids are not being lifted efficiently, a string of 1 1/2" coiled tubing and packoff will be run inside the tubing. The sliding sleeve will be opened to allow Dakota production through the coiled tubing and Gallup production through the coiled tubing X 2 3/8" tubing annulus.
- (2) Plans are in place and construction has begun for installation of field wide compression within the Rincon Unit by late 1993, thus lowering line pressure and increasing fluid lift efficiency.

As per OCD Rules and Regulations, this application qualifies for administrative approval by the Division Director.

Your approval at your earliest convenience would be appreciated. If you have any questions or need additional information, please contact me at (505) 326-7600.

Very truly yours,

Union Oil Company of California
dba UNOCAL



Craig Van Horn
Field Superintendent

bjt49

xc: Aztec OCD District Office (2 copies + C-104s requesting temporary approval to flow wells for packer test).

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-107
Revised 4-1-91

Filing Instructions
Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

UNION OIL COMPANY OF CALIFORNIA 3300 N. BUTLER, STE 200, FARMINGTON, NM, 87401
Operator Address
RINCON UNIT 57E 0 Sec.1, T26N, R7W RIO ARRIBA
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	LARGO GALLUP		BASIN DAKOTA
b. Top and Bottom of Pay Section (Perforations)	6,330' - 6,536'		7,024' - 7,258'
c. Type of production (Oil or Gas)	GAS		GAS
d. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
e. Daily Production <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	4 BOPD 925 MCFD 2 BWPD	RECEIVED SEP 23 1992 OIL CON. DIV. DIST. 3	6 BOPD 370 MCFD 2 BWPD

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief.

Signature Craig A. Van Horn
Printed Name & Title Field Superintendent

Date 9/15/92 Telephone (505) 326-7600

OIL CONSERVATION DIVISION

Approved by: Original Signed by FRANK T. CHAVEZ

Title: SUPERVISOR DISTRICT # 3

Date: SEP 23 1992

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

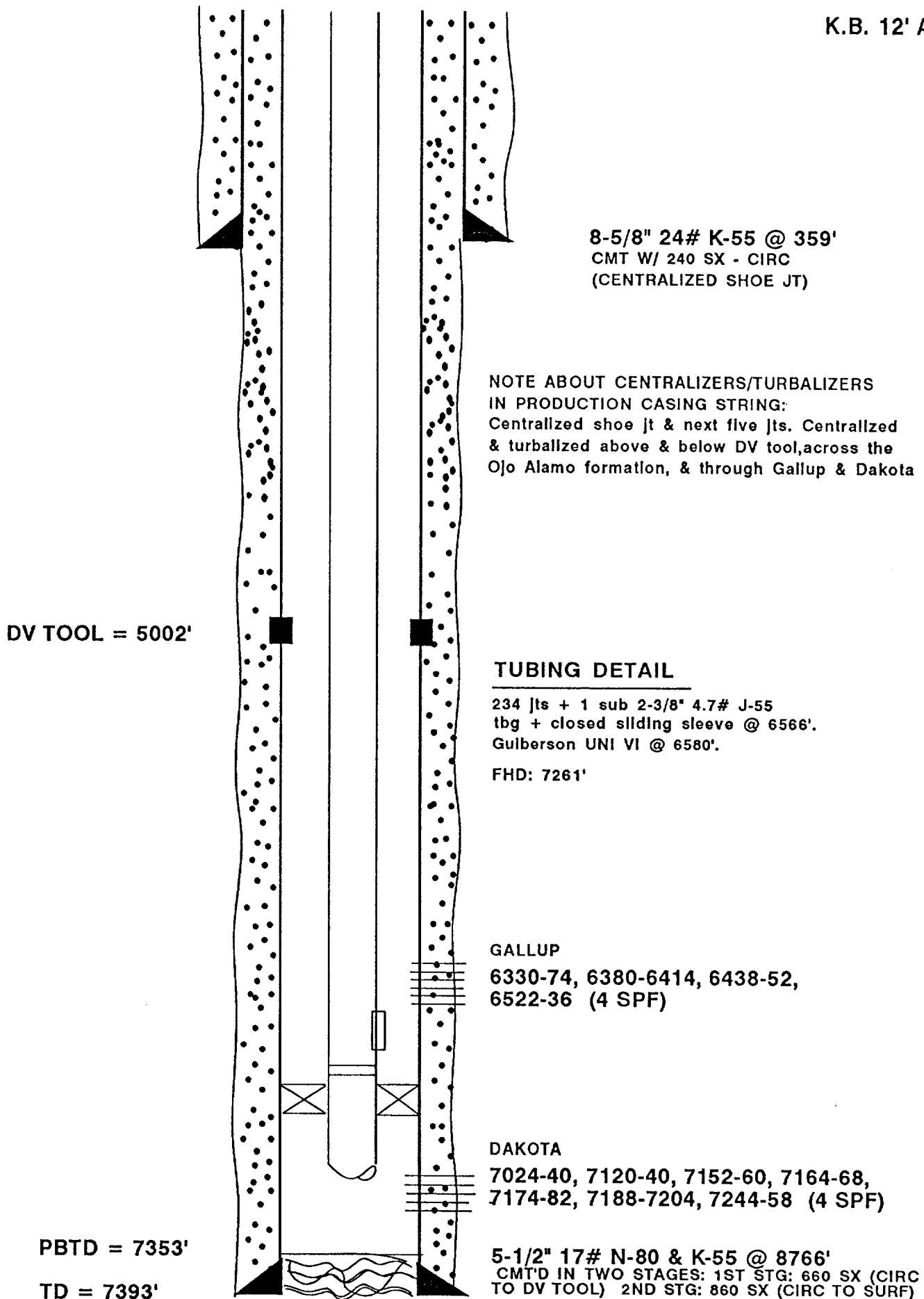
FILING INSTRUCTIONS:

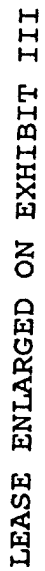
- District Approval -- See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

RINCON UNIT NO. 57-E
790' FSL, 1825' FEL SEC 1 T26N R7W
RIO ARriba COUNTY, NM

EXHIBIT I

K.B. 12' ABOVE G.L.





OFFSET OPERATORS

UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT 57-E
790' FSL & 1825' FEL
SEC 1, T26N, R7W
RIO ARriba COUNTY, NM

UNOCAL

UNOCAL

RINCON UNIT

DUGAN PRODUCTION CO.
AMAX OIL & GAS
NATIONAL COOP REF

AMAX OIL & GAS
NATIONAL COOP REF

LEASE NO. SF-079160

RINCON UNIT

DEKALB ENERGY

DEKALB ENERGY











CAULKINS OIL CO.

CAULKINS OIL CO.

CAULKINS OIL CO.

— EXPLANATION —

PRODUCING INTERVAL

 Kfm	FARMINGTON	Kfm	
 Kk	KIRTLAND	Kk	
	FRUITLAND	Kf	
	PICTURED CLIFFS	Kpc	
	CHACRA	Kc	
	LA VENTANA	Klv	
	MESAVERDE	Kmv	<div> <div>Kch CLIFFHOUSE</div> <div>Km MENEFEE</div> <div>Kpl POINT LOOKOUT</div> </div>
	GALLUP	Kgl	
		<div> <div>Ki TOCITO</div> <div>Kgh GREENHORN</div> </div>	
	DAKOTA	Kd	
	ALL PRODUCTION BELOW CRETACEOUS	Je	- ENTRADA
		Pp	- PARADOX
		Pbc	- BARKER CREEK
		MI	- LEADVILLE

WELL STATUS



 - GAS WELL	T - TEMPORARILY ABANDONED
• - OIL WELL	A - PERMANENTLY ABANDONED
∅ - TEST TEMPORARILY ABANDONED	D - DISCONNECTED
⌘ - INJECTION WELL	S - SHUT IN
⊕ - TEST DRY & ABANDONED	U - UNREPORTED
 - PRODUCER NOW PLUGGED & ABANDONED	I - INPUT WELL
O - TEST DRILLED WO INFO.	X - INTENT TO ABANDON
	NP - NO PRODUCTION SHOWN

Exhibit IV

Offset Operators
To Lease SF-079160

Amax Oil & Gas

Address unavailable

Caulkins Oil Company
1600 Broadway, Suite 2100
Denver, CO 80202

DEKALB ENERGY CO.
1625 Broadway
Denver, CO 80202

Dugan Production Co.
P. O. Box 420
Farmington, NM 87499

National COOP Refinery Assn
P.O. Box 1404
McPherson, KS 67460