



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2364

Spirit Energy 76
1004 North Big Spring
Midland, Texas 79702

Attention: Ms. Heather Dahlgren

*Rincon Unit No. 231E
API No. 30-039-25489
Unit D, Section 12, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

RECEIVED
JUN 21 1999
OIL CON. DIV.
DIST. 3

Dear Ms. Dahlgren:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blanco-Mesaverde Gas Pool	Oil-81%	Gas-78%
Basin-Dakota Gas Pool	Oil-19%	Gas-22%

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Administrative Order DHC-2364

Spirit Energy 76

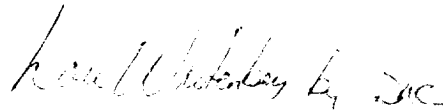
June 17, 1999

Page 2

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 17th day of June, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/MWA/kv

cc: Oil Conservation Division - Aztec /
Bureau of Land Management-Farmington
State Land Office-Oil & Gas Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

070 FARMINGTON, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Union Oil Company of California

3. Address and Telephone No.

P. O. Box 671—Midland, TX 79702 (915) 685-7608

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1145' FNL & 780' FWL (NW NW)

Sec. 12, T28N, R7W

D-12-26N-7W

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OIL CON. DIV.
DIST. 3

5. Lease Designation and Serial No.
SF 079160

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Rincon Unit

8. Well Name and No.

Rincon Unit #231E

9. API Well No.

30-039-25489

10. Field and Pool, or Exploratory Area

South Blanco Pictured Cliffs

11. County or Parish, State

Rio Arriba County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Unocal plans to perf the Pictured Cliffs @ 2690'-2742' after the DHC permit is approved for the Mesa Verde/Dakota (currently a Mesa Verde and Dakota dual well.

See attached procedure and wellbore schematic.

14. I hereby certify that the foregoing is true and correct

Signed [Signature]

Title Workover/Drig. Foreman

Date 06/03/99

(This space for Federal or State office use)

/s/ Duane W. Spencer

Team Lead, Petroleum Management

Approved by
Conditions of approval, if any:

Title

Date JUN 16 1999

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

HOLD C104 FOR

PC Plat @

*See Instruction on Reverse Side

NMOCD



Drilling Eng.	<i>MCP</i>
Reservoir Eng.	
Production Eng.	
Field Supt.	
Drilling Supt.	

UNION OIL COMPANY OF CALIFORNIA
MIDLAND, TEXAS
CONDITION OF HOLE & PROCEDURE

DATE: 5/13/99

FIELD: Dakota AREA: South Permian
LEASE/UNIT: Rincon Unit WELL NO.: 231E
REASON FOR WORK: To add additional perfs and fracture stimulate in the Picture Cliff.

CONDITION OF HOLE:

TOTAL DEPTH: 7,900' ETD: 7,856' KB DATUM IS 13' ABOVE G.L.

CASING RECORD:

9-5/8" CASING DETAIL

371.00'	FHD
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Cement w/200sx "G" cement + 2% CACL@ + 1/4#/sk flocele mixed @ 15.6 PPG. Cement Circulated.

7" CASING DETAIL

1.00'		Baker Guide Shoe
41.79'	1 jts.	26# K-55 8rd New casing
1.00'		Baker Float collar.
2255.18'	52 jts.	26# K-55 8rd New casing
82.54'	2 jts.	23# K-55 8rd New casing
1.70'		7" Baker DV Tool @ 4992'.
4887.67'	115 jts.	23# K-55 8rd New casing.
18.00'	1 pce.	"Ditto"
7,288.88'		Total Casing
14.00'		BKDB
7,302.88'		FHD

Cement 1 stage 450 sxs class 50/50 Poz tail in 175 sxs, circ 80 sxs off of DV. 2nd stage 350 sxs lead F/B 550 sxs tail, circulate 120 sxs to pit.

TUBING DETAIL:

See wellbore diagram.

PERFORATIONS:

Dakota	7,075'	To	7,174'
Mesa Verde	4,989'	To	5,056'

REGULATORY REQUIREMENTS

Sundry Notice, and 48hr notification prior to rig-up.

PROCEDURE FOR THE RINCON UNIT 231E

1. Notify BLM. Inspect anchors. Set blow down pit. Install blooie line.
2. MIRU DD PU. Hold pre-job inspection and safety meeting.
3. Blow down well. Kill well with 2% KCL (minimum amount.) ND tree. NU tested BOP. Send tree to be tested at ERC. Replace bad parts with most cost effective alternative.
4. POH LD 2-3/8" short string production tubing and inspect.
5. Release Guiberson Uni-VI Packer. Lower and tag for fill. TOH LD string for inspection.
6. RU WL. Run and set retrievable bridge plug @ 3000'. Dump 10' sand on top. Test casing to 2500#.
7. RU and perf Picture Cliff formation correlated to Schlum Array Inductions Merge Log,. As follows 2,690-2,698', 2,704-06', 2,714-42', 1 jspf via casing gun @ 90 degrees phazing.
8. NU wellhead saver. RU and breakdown perfs. If perfs will not breakdown, TIH OE'd and spot 500 gals 15% HCL and additives across perfs. TOH. RU and acidize perfs.
9. RU Halliburton and Frac new perforation 2,690-2,742'. as per Halliburton recommendation.

10. Flowback well till dead. PU and TIH w/Bailer on Tubing and clean out sand to RTBP. Clean out over release bar. TOH. TIH w/releasing tool and retrieve RTBP.
11. PU and RIH and land long string @ 7170' with packer @ 3000'. PU and RIH w/short string and land. ND BOP. NU Tree.
12. RU and swab well in with PU or if swab unit is available, RD PU and RU swab unit and swab well in. Clean and level location. Turn over to production.

ASSET GROUP: South Permian
FIELD: Basin Dakota
LEASE/UNIT: Rincon Unit
COUNTY: Rio Arriba

SPIRIT ENERGY **76**
New Name. Same Spirit.
A Division of Energy Transfer

DATE: May. 14, 1999
BY: M.C. Phillips
WELL: #231E
STATE: New Mexico

SPUD DATE: 5/22/95
COMP. DATE: 7/19/95
STATUS: Dual Completion

KB = 6,454'
Elevation = 6,440'
TD = 7,304'
PBDT = 7,264'

Before

9-5/8" @ 371'. Cmt'd w/200 sxs. Circ.

Longstring

Tubing	2-3/8" 4.7# J-55 8rd eue	1	31.44'	
Pup	2-3/8" 4.7# J-55 8rd eue	4	27.55'	
Tubing	2-3/8" 4.7# J-55 8rd eue	160jts	5,005.35'	
On/Off	7" x 2-3/8" XL full opening	1	2.20'	
Tubing	2-3/8" 4.7# J-55 8rd eue	2jts	63.39'	
PKR	Gulb Uni-VI 5-1/2" X 2-3/8"	1	4.50'	PKR
Tubing	2-3/8" 4.7# J-55 8rd eue	64jts	1,988.58'	5,143.93'
Nipple	2-3/8" seat nple	1	1.10'	
Tubing	2-3/8" 4.7# J-55 8rd eue	1jt	31.52'	
Nipple	2-3/8" pmp out plug	1	0.55'	
TOTAL			7,156.18'	
KB			14.00'	
FHD			7,170.18'	

DV Tool @ 4,906'.

Mesa Verde Perforations

Perfs @ 4,989-5,008', 5,046-56', 2spf.

Tubing	2-3/8" 4.7# J-55 8rd eue	1jt	31.40'
Pup	2-3/8" 4.7# J-55 8rd eue	1	2.25'
Pup	2-3/8" 4.7# J-55 8rd eue	1	8.11'
Pup	2-3/8" 4.7# J-55 8rd eue	1	10.17'
Tubing	2-3/8" 4.7# J-55 8rd eue	164jts	5,006.59'
TOTAL			5,058.52'
KB			14.00'
FHD			5,072.52'

Dakota Perforations

Perfs @ 7,075-78, 7,107-112, 7,126-138, 7,156-174'.

7" @ 7,303'. Cmt'd /1525sx.

TD 7,304

ASSET GROUP: South Permian
FIELD: Basin Dakota
LEASE/UNIT: Rincon Unit
COUNTY: Rio Arriba

SPIRIT ENERGY **56**
New Name. Same Spirit.
A Division of United Nuclear

DATE: May. 14, 1999
BY: M.C. Phillips
WELL: #231E
STATE: New Mexico

SPUD DATE: 5/22/95
COMP. DATE: 7/19/95
STATUS: Dual Completion

After

KB = 6,454'
Elevation = 6,440'
TD = 7,304'
PBD = 7,264'

9-5/8" @ 371'. Cmt'd w/200 sxs. Circ.

Picture Cliff

Perfs @ 2,690-98', 2,704-06', 2,714-2,742'.

DV Tool @ 4,906'.

Mesa Verde Perforations

Perfs @ 4,989-5,008', 5,046-56', 2spt.

Dakota Perforations

Perfs @ 7,075-78, 7,107-112, 7,126-138, 7,156-174'.

7" @ 7,303'. Cmt'd /1525sx.

TD 7,304

Conditions of Approval

Union Oil Company of California
Rincon Unit No. 231E
1145' FNL and 790' FWL
Sec 12-26N-07W

- 1) Prior to commencing recompletion operations in the Pictured Cliffs and commingle operations in the Mesaverde and the dakota intervals, file an amended Plan of Development for the Rincon Unit.
- 2) The following are the fixed allocation factors for the Mesaverde and the Dakota formations:

	Gas	Oil
Mesaverde	78%	81%
Dakota	22%	19%

Commingled production from each zone must be reported in accordance with the allocation procedure authorized above. The effective date of commingling will be the date commingling of production first occurs.

- 3) Within 30 days of commingling the production in this well bore, file a Sundry Notice (form 3160-5) subsequent report of all operations conducted. Also, file Well Completion Report (form 3160-4) after completion operations in the Pictured Cliffs Formation.