

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



August 10, 1992

Farmington District

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

RECEIVED
AUG 11 1992
OIL CON. DIV.
DIST. 3

SUBJECT:

Requesting Approval for
Surface Commingling of
Condensate Production from
Rincon Unit, Well No. 170-M
Sec 20, T-27-N, R-6-W
Rio Arriba County, New Mexico

Attached is a copy of the application sent to David Catanach for
his approval; this copy is for your information.

Very truly yours,

Union Oil Company of California
dba Unocal

A handwritten signature in dark ink, appearing to read "Glen O. Papp".

Glen O. Papp
District Production Engineer

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



August 10, 1992

CERTIFIED RETURN RECEIPT

Farmington, NM 87401
PO Box 671-272-436

New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Box 2088
Santa Fe, NM 87504-2088
Attn: David Catanach

SUBJECT:

Requesting Approval for
Surface Commingling of
Condensate Production from
Rincon Unit, Well No. 170-M
Sec 20, T-27-N, R-6-W
Rio Arriba County, New Mexico

Union Oil Company of California, dba Unocal, requests permission to surface commingle condensate from its Rincon Unit, Well No. 170-M, Rio Arriba County, New Mexico. The following describes and demonstrates how Unocal proposes to allocate production under the context of BLM Onshore Oil and Gas orders for commingling, and under the New Mexico Oil Conservation Commission Manual for the Installation and Operation of Commingling Facilities.

The Rincon Unit No. 170-M well is a development gas well scheduled to be drilled by Unocal. The well is to be completed as a dual Dakota/Mesa Verde producer; and it is anticipated that it will be ready for pipeline deliveries September 21, 1992.

Unocal is proposing to surface commingle produced fluids from individual separators into a common stock tank (Exhibit No. 1). Royalties will be paid on the liquid volumes sold from the tank.

The proposed location is within existing Dakota and Mesa Verde participating areas within the Rincon Unit (Exhibit No. 2). The lease is a federal lease and it is described in Exhibit No. 3. The royalty in the two formations is the same.

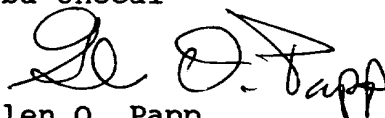
Unocal is requesting from the New Mexico Oil Conservation Division, approval for surface commingling of the produced condensate and the following method for allocating production. Unocal will conduct initial condensate production tests of equivalent time frames for each of the two zones. The condensate produced during the test period from each pool will be used to

calculate an average daily rate (Exhibit No. 4, Part 1). Each month this rate will be multiplied by the days on production, to yield a volume produced for the month (Exhibit No. 4, Part 3). The corrected volumes will be allocated as per Exhibit 4, Part 5. To ensure the accuracy of the allocation factor, Unocal will retest the zones every six months after the initial test.

Should you have any questions or need any additional information to process this request, please feel free to contact me at the above letterhead address or phone.

Very truly yours,

Union Oil Company of California
dba Unocal

A handwritten signature in dark ink, appearing to read "Glen O. Papp", written over the printed name.

Glen O. Papp
District Production Engineer

pmh

cc:NMOCD Aztec Office--Frank Chavez
BLM--Ken Townsend

EXHIBIT No. 1

UNOCAL ⁷⁵

CONDENSATE ACCOUNTING SCHEMATIC
RINCON UNIT # 170-M
RIO ARriba COUNTY, NEW MEXICO

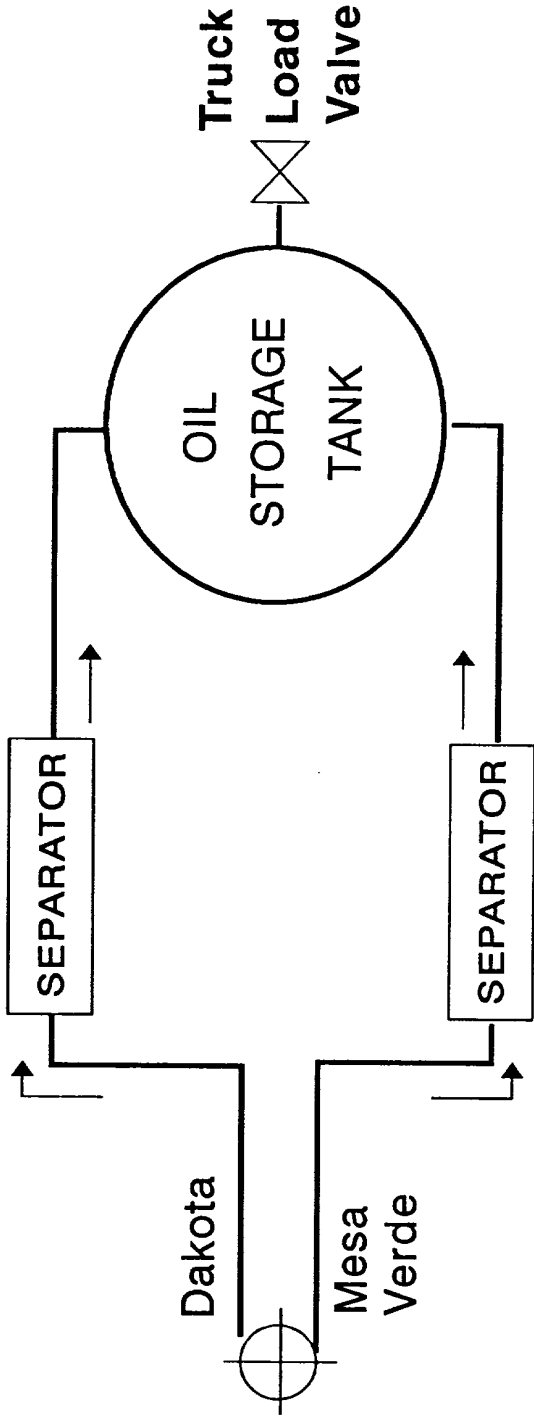
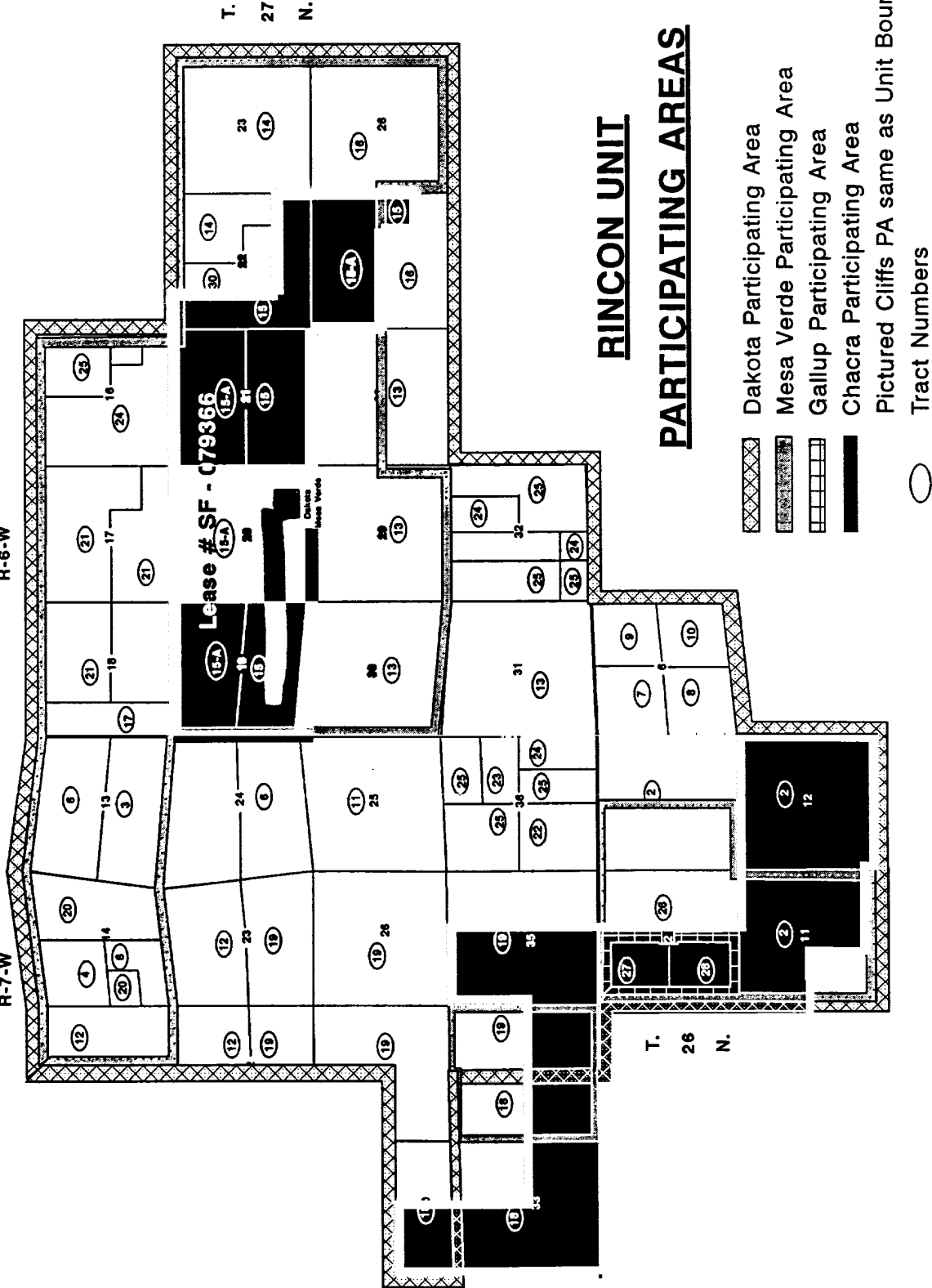


EXHIBIT No. 2

R-7-W

R-6-W



Rio Arriba County, New Mexico

EXHIBIT NO #3 LEASE DISCRIPTION

FEDERAL LEASE	# ACRES	DESCRIPTION
SF - 079366	2558.72	SEC.s 19, 20, 21 ALL SEC 22: W/2 NW/4, W/2 SW/4, SE/4 SW/4, S/2 SE/4 SEC 23: N/2, NE/4 SE/4

OTHER WELLS ON LEASE # SF - 079366

WELL #	PRODUCING ZONE	LOCATION	WELL STATUS
8	MV	1450' FSL, 1450' FWL, Sec. 20	Producing
29	MV	1180' FNL, 815' FWL, Sec. 22	Producing
33	MV	802' FSL, 950' FEL, Sec. 22	Producing
52	PC	1650' FNL, 990' FEL, Sec. 20	Producing
98	MV	990' FNL, 990' FEL, Sec. 21	Producing
98	PC	990' FNL, 990' FEL, Sec. 21	Producing
99-A	MV	1760' FNL, 810' FEL, Sec. 27	Producing
99	MV	1025' FNL, 1025' FEL, Sec. 27	Producing
99	PC	1025' FNL, 1025' FEL, Sec. 27	Producing
107	MV	1500' FSL, 1500' FWL, Sec. 19	Producing
108-A	MV	1460' FSL, 1020' FEL, Sec. 19	Producing
108	DK	1750' FNL, 1750' FEL, Sec. 19	Producing
108	MV	1750' FNL, 1750' FEL, Sec. 19	Producing
109	PC	1050' FNL, 840' FWL, Sec. 19	Producing
110	PC	990' FSL, 1700' FEL, Sec. 19	Producing
111	PC	1650' FNL, 1165' FWL, Sec. 20	Producing
112	PC	990' FSL, 1450' FEL, Sec. 20	Producing
113	MV	1500' FNL, 800' FEL, Sec. 20	Producing
114	PC	1790' FSL, 1800' FWL, Sec. 20	Producing
115	MV	1550' FSL, 1550' FWL, Sec. 21	Producing
116	PC	890' FNL, 990' FWL, Sec. 21	Producing
117	PC	1750' FSL, 990' FEL, Sec. 21	Producing
119	PC	1100' FSL, 900' FWL, Sec. 22	Producing
120	PC	1500' FNL, 840' FWL, Sec. 22	Producing
141	PC	990' FNL, 1550' FWL, Sec. 27	Producing
142	PC	1650' FSL, 1040' FEL, Sec. 27	Producing
158	DK	1090' FSL, 1450' FWL, Sec. 22	Disconnected
165	DK	1450' FNL, 1600' FEL, Sec. 27	Producing
170	DK	990' FSL, 790' FWL, Sec. 20	Producing
171	DK	890' FSL, 1140' FWL, Sec. 21	Producing
174	DK	990' FSL, 1650' FWL, Sec. 19	Producing
175	DK	1840' FNL, 1760' FEL, Sec. 20	Producing
180	DK	1550' FNL, 1650' FEL, Sec. 21	Producing
195	PC	1460' FNL, 1750' FEL, Sec. 19	Producing
240	FC	1500' FSL, 1750' FWL, Sec. 18	Producing
241	FC	1500' FSL, 990' FWL, Sec. 22	Producing
254	FC	1419' FNL, 794' FEL, Sec. 20	Producing
255	FC	1185' FSL, 1840' FWL, Sec. 20	Producing
261	FC	798' FSL, 1254' FWL, Sec. 29	Producing
263	FC	1369' FNL, 1015' FEL, Sec. 19	Producing
264	FC	1200' FSL, 798' FWL, Sec. 19	Producing

EXHIBIT No. 4
CONDENSATE
ALLOCATION CALCULATIONS

1) Production Test completed on both zones, yields:

Mesa Verde Test Rate = R_1 (BPD)

Dakota Test Rate = R_2 (BPD)

2) Days On / Month

Mesa Verde Days On = A

Dakota Days On = B

3) i) Actual Total Monthly Gauge Volume: G (BPM)

ii) Calculated Individual Volumes:

Mesa Verde = $R_1 \times A$

Dakota = $R_2 \times B$

Total Volume = $R_1(A) + R_2(B)$

4) Allocation Factor (AF):

$$AF = \frac{G}{R_1(A) + R_2(B)}$$

5) Corrected Allocation Volumes:

Mesa Verde = $AF \times R_1(A)$

Dakota = $AF \times R_2(B)$



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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



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

COMMINGLING ORDER PC-804

Unocal Oil & Gas Division
3300 North Butler Avenue, Suite 200
Farmington, New Mexico 87401

Attention: Glen O. Papp

LEASE NAME: Rincon Unit (Well No. 170-M)
DESCRIPTION: S/2 Section 20, Township 27 North, Range 6 West, NMPM
Rio Arriba County, New Mexico

RECEIVED
AUG 31 1992
OIL CON. DIV.
DIST. 3

The above-named company is hereby authorized to commingle Basin-Dakota and Blanco Mesaverde Gas Pool production liquid hydrocarbon production in a common tank battery and to determine such production from each pool by multiplying the monthly liquid hydrocarbon production by an allocation factor. Such allocation factor shall be determined by initial production tests and by production tests conducted bi-annually thereafter.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 27th day of August 1992.

WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Aztec

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.

5. Lease Designation and Serial No.

SF-079366

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Rincon Unit

8. Well Name and No.

Rincon Unit #170M

9. API Well No.

n/a

10. Field and Pool, or Exploratory Area

Blanco MV Basin DK

11. County or Parish, State

Rio Arriba, NM

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Union Oil Company of California

3. Address and Telephone No.

3300 N. Butler, STE. 200-Farmington, NM 87401 (505)326-7600

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

1495' FSL & 935' FEL of Sec. 20, T27N, R6W

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

Spud/run surf csg

☐ 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.)

08/17

MIRU ARAPAHOE DRLG RIG #11. SPUD 12-1/4" HOLE @ 2:30 PM 8-16-92. DRLG & SURVEY F/ 0-370'/5-1/4 HRS. TD 12-1/4" HOLE @ 7:45 PM 8-16-92. CIRC 1/4 HR. TOH F/ 1/2 HR. R&C 8 JTS (356.89') 8-5/8" 24# J-55 ST&C NEW SMLS CSG LANDED @ 369.89' CMT/D W/ 240 SX CL "B" 2% CC, 1/4# FLOCELE PER SK, YIELD 1.17 CU FT, WT 15.5 PPG. DISP W/ 21 BW, RATE OF 5 BPM, 150 PSI BUMP PLUG TO 700 PSI, FLOAT HELD OK. CIRC 70 SX TO SURF. WOC 6 HRS. CUT OFF 8-5/8" CSG & WELD ON 8-5/8" 11 X 3000 PSI C-22 WELL HD, INC.

08/18

FIN WELD ON WELL HD & TST TO 1500 PSI, HELD OK. NU BOP STACK W/ ROTATING HD & MANIFOLD SYSTEM. TST BLIND RAM, PIPE RAMS, MANIFOLD, FLOOR VALVE & KELLY COCK TO 3000 PSI, HELD OK. TST CSG TO 1500 PSI, HELD OK. ALL TSTS HELD F/ 10 MINS. TIH/1/2 HR. TAG CMT @ 303'. DRLG PLUG & CMT/2 HRS. DRLG & SURVEY F/ 370-1830'/13 HRS @ RATE OF 112 FPH.

08/21

DRLG & SURVEY F/ 3810-4670'/24 HRS @ RATE OF 35 FPH.

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

Signed

Charlotte K. Benson

Title

Drilling Clerk

Date

8-24-92

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

ACCEPTED FOR RECORD

SEP 01 1992

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.

*See Instruction on Reverse Side

NMOCD

FARMINGTON RESOURCE AREA

BY

SM