

OIL CONSERVATION DIVISION

November 28, 1995

Union Oil Company Of California  
P. O. Box 850  
Bloomfield, New Mexico 87413

Attention: Jim Benson  
Drilling Superintendent

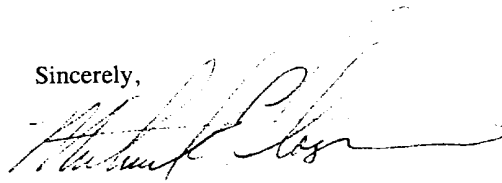
Re: Administrative Application for an Unorthodox Gas Well Location:  
Rincon Unit Well No. 131-E located 1985 feet from the North line  
and 822 feet from the West line (Unit E) of Section 36, Township 27  
North, Range 7 West, NMPM, Basin-Dakota/Blanco-  
Mesaverde/South Blanco-Pictured Cliffs Pools, Rio Arriba County,  
New Mexico.

Dear Mr. Benson:

It has been determined subsequent to our initial evaluation of your application dated November 13, 1995 that the provisions of Rule 2(c) of the "General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Basin-Dakota Pool/Special Rules and Regulations For The Blanco-Mesaverde Pool/Special Rules and Regulations For The South Blanco-Pictured Cliffs Pool", as promulgated by Division Order No. R-8170, as amended, does not permit the Division to process the subject application administratively since the intent of this unorthodox location is for geologic reasons and not topographic, as stated in part 12 of OCD Form C-103, dated May 30, 1995 (see copy attached).

This application will be placed on the next available Examiners Hearing docket scheduled for December 21, 1995. Further, you as applicant must provide adequate notice of this matter pursuant to all applicable provisions of Division General Rule 1207.A(5).

Sincerely,



Michael E. Stogner  
Chief Hearing Examiner/Engineer

cc: Oil Conservation Division - Aztec  
New Mexico State Land Office - Santa Fe  
William F. Carr - Santa Fe

OFFICE OF THE SECRETARY - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5950  
ADMINISTRATIVE SERVICES DIVISION - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5925  
ENERGY CONSERVATION AND MANAGEMENT DIVISION - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5900  
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DEC - 4 1995  
OIL CONSERVATION DIVISION  
SANTA FE, NM

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form O-110  
Revised 1-1-59

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	WELL API NO. 30-039-25368
2. Name of Operator UNION OIL COMPANY OF CALIFORNIA	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator P.O. Box 2620, Casper, WY 82602 (307) 234-1563 Ext. 116	6. State Oil & Gas Lease No. _____ 7. Lease Name or Unit Agreement Name RINCON UNIT
4. Well Location Unit Letter <u>E</u> : 1985 Feet From The <u>North</u> Line and <u>822</u> Feet From The <u>West</u> Line	8. Well No. 131E
Section <u>36</u> Township <u>27N</u> Range <u>7W</u> NMPM Rio Arriba County	9. Pool name or Wildcat Basin Dak/Blanco MV/So. Blanco P.C.
10. Elevation (Show whether DF, RKB, RT, GR, etc.) _____ 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER: Location Change <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

See attached proposed operations.

RECEIVED  
DEC - 4 1955  
OIL CON. DIV.  
DIST. 3

RECEIVED  
JUN - 2 1956  
OIL CON. DIV.  
DIST. 3

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

SIGNATURE Jim Benson TITLE Drilling Superintendent DATE 5-30-95  
TYPE OR PRINT NAME \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

(This space for State Use)

APPROVED BY Jim Benson DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUN - 5 1956  
CONDITIONS OF APPROVAL, IF ANY: Hold C-101 For USC

12. Proposed or Completed Operations:

Rincon Unit #131E was originally staked @ 1145' FNL & 1525' FWL, Section 36, T27N-R7W, Rio Arriba Co., NM, and permitted (State APD approved 4-6-94, APD extension and casing design change approved 1-31-95) as a Basin Dakota/Blanco Mesaverde well.

Unocal requests approval to move the existing Rincon Unit 131E location to 1985' FNL, 822' FWL, Sec. 36, T27N-R7W and complete as a Basin Dakota/Blanco Mesaverde/South Blanco Pictured Cliffs well. Unocal wishes to move the location to take advantage of more favorable sub-surface geological structures; i.e. incorporate the Pictured Cliffs formation into the overall completion of the well. There is only one existing Pictured Cliffs well in the same 1/4 section (Rincon #10), and it is presently shut in and scheduled for P&A later this year.

Unocal also requests approval of a non-standard location for the proposed Rincon Unit 131E. The proposed location does not conform to a standard (Dak./M.V./P.C.) location being approximately 135' too far South. The proposed location cannot be moved to the North due to an existing El Paso Natural Gas lateral line and an existing Arroyo (see attached Pad Layout and topography). Unocal is the sole off-set lease owner/operator.

There will be no changes to the existing approved Drilling/Completion plan (approved Jan 31, 1995.)