

Benson



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

OIL CONSERVATION DIVISION



February 13, 1995

RECEIVED
FEB 14 1995

OIL CON. DIV.
DIST. 3

Union Oil Company of California (UNOCAL)
P.O. Box 2620
Casper, WY 82602-2620

Attention: Jim Benson

AMENDED
Administrative Order NSL-3379

Dear Mr. Benson:

Reference is made to your application dated January 16, 1995 to amend Division Administrative Order NSL-3379, dated April 26, 1994, which authorized UNOCAL to drill its Rincon Unit Well No. 303 (API No. 30-039-25403) at an unorthodox gas well location for both the Basin-Dakota and Undesignated Largo-Gallup Pools 2180 feet from the North line and 535 feet from the West line (Unit E) of Section 33, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. The S/2 of said Section 33 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for both pools.

It is our understanding that the Gallup interval does not appear to be commercially productive and that UNOCAL is requesting the Blanco-Mesaverde Pool be included in the provisions of said Order NSL-3379 at this time.

By the authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, the aforementioned unorthodox gas well location is also approved for the Blanco-

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

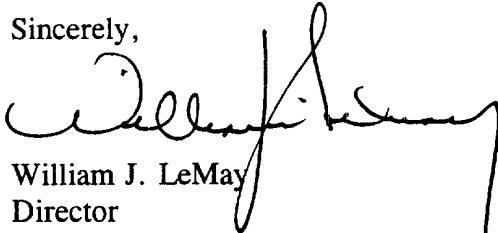
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

Amended Administrative Order NSL-3379
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Mesaverde Pool. Further, the S/2 of said Section 33 shall also be dedicated to the Blanco-Mesaverde Pool thereby forming a standard 320-acre gas spacing and proration unit.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/KV

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: NSL -3379

Ernie Busch

From: Ernie Busch
To: Mike Stogner
Subject: UNOCAL (NSL)
Date: Thursday, February 02, 1995 10:31AM
Priority: High

RINCON #303
2180' FNL; 535' FWL
33-27N-07W
RECOMMEND: APPROVAL

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO. 14-20-603-2199	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				6. IF INDIAN, ALLOTTED OR TRIBE NAME NAVAJO NATION	
2. NAME OF OPERATOR SIRGO BROTHERS ENERGY CORP. AS AGENT FOR MOUNTAIN STATES PETROLEUM CORP.				7. UNIT AGREEMENT NAME N.W. CHA CHA UNIT	
3. ADDRESS AND TELEPHONE NO. P. O. BOX 3531, MIDLAND, TX 79702 (915)685-0878				8. FARM OR LEASE NAME WELL NO. N.W. CHA CHA UNIT #26	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2077' FSL & 317' FEL Unit I, Sec.22, T29N, R14W, NMPM At proposed prod. zone 2105' FSL & 851' FEL Unit I				9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 MILES SOUTHWEST OF FARMINGTON				10. FIELD AND POOL, OR WILDCAT CHA CHA (GALLUP)	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 34,480' from unit boundary		16. NO. OF ACRES IN LEASE 1632		17. NO. OF ACRES ASSIGNED TO THIS WELL 80	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1896' from Well #30		19. PROPOSED DEPTH 5350'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5494' GR				22. APPROX. DATE WORK WILL START* March 20, 1994	
23. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"	
12-1/4"	J-55, 8-5/8"	24#	210'	165 sacks	
7-7/8"	J-55, 4-1/2"	10.5#	5350'	900 sacks	

1. Circulate cement to surface on 8-5/8" surface pipe.
2. Will two stage 4-1/2" casing to circulate cement back to surface pipe.
3. BOP Diagram attached.
4. Deviation Program attached.

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SEP 26 1994
OIL CON. DIV.
DIST. 3

RECEIVED
BLM
SEP 21 PM 2:16
C/O INFORMATION, NM

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED M. A. Sirgo, III TITLE President DATE Mar. 17, 1994
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would be required for the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____
APPROVED
AS AMENDED
SEP 23 1994
Chip Haraden
DISTRICT MANAGER

*See Instructions On Reverse Side

Unocal Oil & Gas Division
Unocal Corporation
900 Werner Court, P.O. Box 2620
Casper, Wyoming 82602-2620
Telephone (307) 234-1563

UNOCAL 76

January 16, 1995

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

RECEIVED
JAN 20 1995
OIL CON. DIV.
DIST. 3

Gentlemen:

Union Oil Company of California (UNOCAL) requests permission for a non-standard Basin Dakota/Blanco Mesa Verde location for Unocal's existing Rincon Unit #303 well. The well is located 2180' FNL, 535' FWL, Section 33, T27N, R7W.

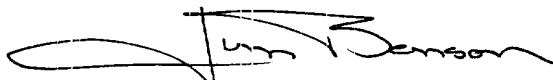
The well was originally permitted (with State and BLM approval) as a non-standard Basin Dakota/Largo Gallup location. The well was spudded 6/13/94 and TD'd at 7740' on 7/2/94. The well was logged and production casing was run and cemented. The Burro Canyon was perforated, fracture stimulated, and tested. The Burro Canyon was squeezed after testing showed it was non-productive. The Dakota/Graneros was perforated, fracture stimulated and tested. The well was completed as a Dakota/Graneros producer.

Logs indicate the Largo Gallup to be non-productive and Unocal wishes to perforate, fracture stimulate, and test the well in the Mesa Verde interval, and if productive, complete the well as a Dakota/Mesa Verde producer.

The offset lease owners, Meridian Oil, Amax Oil and Gas, DeKalb Energy, and Amoco have been contacted by certified letter requesting Waiver of Objection to the proposed unorthodox location.

If you have any questions, please contact me at (307) 234-1563, Ext. 116. Thank you for your help in this matter

Sincerely,



Jim Benson
Drilling Superintendent

cc: Ernie Busch
Aztec, New Mexico