



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



GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 FAX: (505) 334-6178

Date: 12/6/95

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Proposed MC _____ Proposed DHC X _____
Proposed NSL _____ Proposed SWD _____
Proposed WFX _____ Proposed PMX _____
Proposed NSP _____ Proposed DD _____

Gentlemen:

I have examined the application received on 12/5/95
for the Unocal Permian Unit # 186M
OPERATOR LEASE & WELL NO.

L-3J-27N-5W and my recommendations are as follows:
UL-S-T-R

Approved

Yours truly,

[Signature]

Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, P.O. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811



October 30, 1995

Certified Return Receipt No.: Z 407 288 683

New Mexico Oil Conservation Division
Attn.: Mr. William J. LeMay
PO Box 2088
Santa Fe, New Mexico 87504-2088

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

RECEIVED
DEC - 5 1995

OIL CON. DIV.
DIST. 3

Dear Mr. LeMay:

Union Oil Company of California d.b.a. UNOCAL requests approval to down-hole commingle hydrocarbon production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit wells, Rio Arriba County, New Mexico.

Well	Legal Location
186M	1670' FSL, 1240' FWL, S33, T27N, R7W
187E	790' FSL, 990' FWL, S35, T27N, R7W

Both wells were drilled during the summer of 1994 and completed into the Basin Dakota. UNOCAL originally intended to complete, in addition to the Dakota, the Largo Gallup pay, however open-hole logs indicated poor Gallup net pay. It is UNOCAL's intent to complete the 186M and 187E into Mesa Verde, produce both zones up one string of 2-3/8" tubing, combine oil/condensate production into one 300 bbl stock tank and meter gas through one custody transfer meter. UNOCAL will flow test each Mesa Verde zone in order to establish a stabilized oil, gas and water production rate. The rates from these test in conjunction with established rates from the Dakota will be used to calculate an allocation factor. Royalty rates for both the Dakota and Mesa Verde in each well are identical.

Each well was shut in for a period of five days during the month of October 5, 1995 and the following surface pressures recorded.

<u>WELL</u>	<u>TUBING (psig)</u>	<u>CASING (psig)</u>
186M	650	700
187E	730	820

OK Pressure

It is our estimation that the Mesa Verde will have an initial shut-in reservoir pressure of 500 to 1000 psig. Four wells, with available pressure data, were drilled this year in the Rincon Unit and after the same five day shut-in the following surface pressures were recorded.

<u>WELL</u>	<u>TUBING (psig)</u>	<u>CASING (psig)</u>
134E	820	820
231E	810	820
304	720	810
304M	800	800

MV Pressure

Unocal is confident that cross-flow will not result between the Dakota and Mesa Verde reservoirs in 186M or 187E while producing under down-hole commingled conditions.

If you have any questions in regard to this application, please contact me at (505) 632-1811 ext.14. Thank you for your consideration in this matter.

Sincerely,

Union Oil Company of California
d.b.a. UNOCAL

Brett H. Liggett
Brett H. Liggett
Production Engineer

UNOCAL, RINCON UNIT, T27N R7W

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24 OPERATOR: MERIDIAN OIL CO.
30	29	28	27	26	25
31	32	33	34	35	36



186M



187E

UNIT BOUNDARY

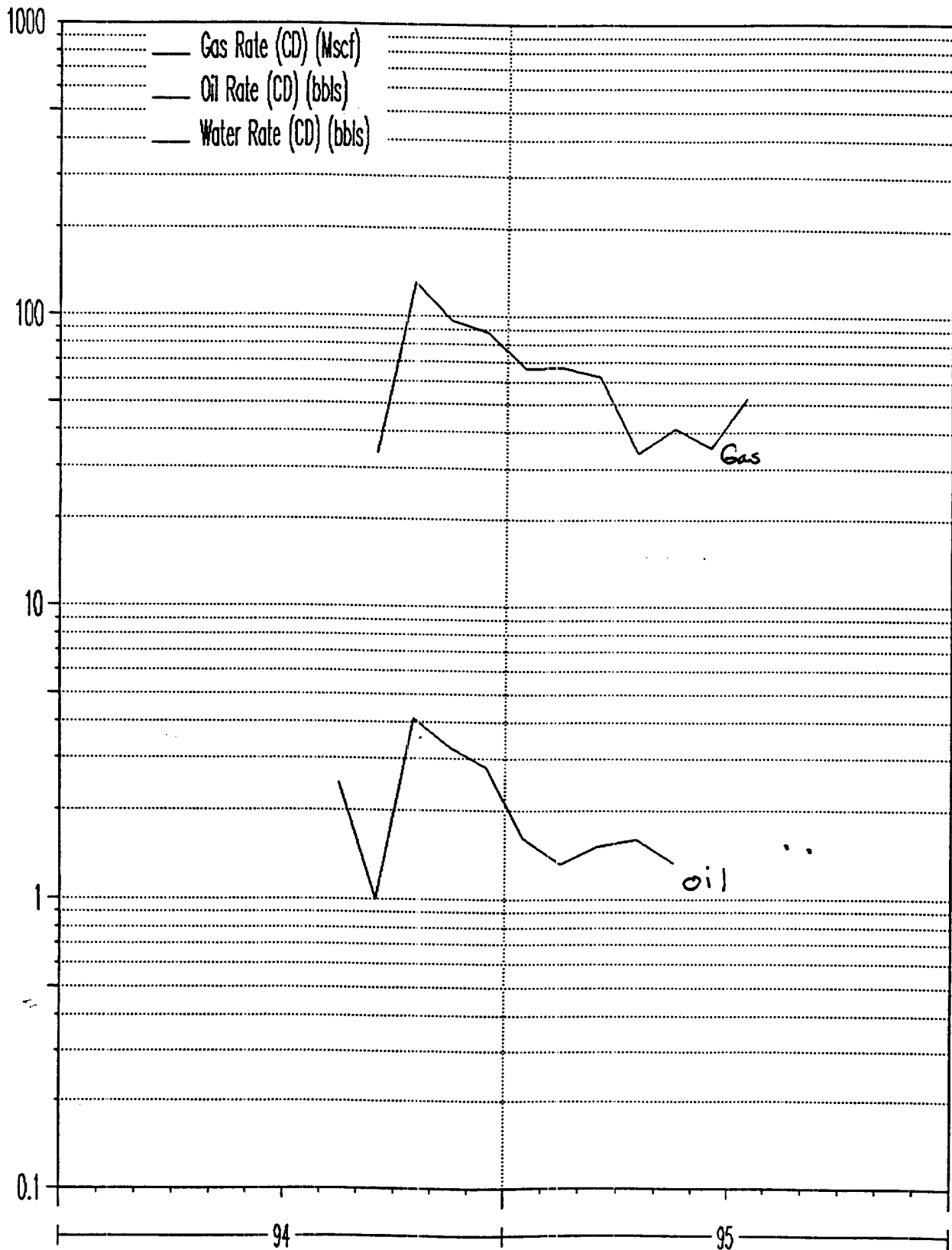
UNOCAL, RINCON UNIT, T26N R7W

6	5	4	3	2	1
	OPERATOR: LOUIS DRYGUS CORP	OPERATOR: CENTRAL RESOURCES INC. UNIVERSAL RESOURCES INC.			
7	8	9	10	11	12
18	17	16	15	14	13
			OPERATOR: LOUIS DRYGUS CORP SHUTER OIL CORP	OPERATOR: CALUMBS OIL CO.	OPERATOR: CALUMBS OIL CO.
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

UNIT BOUNDARY

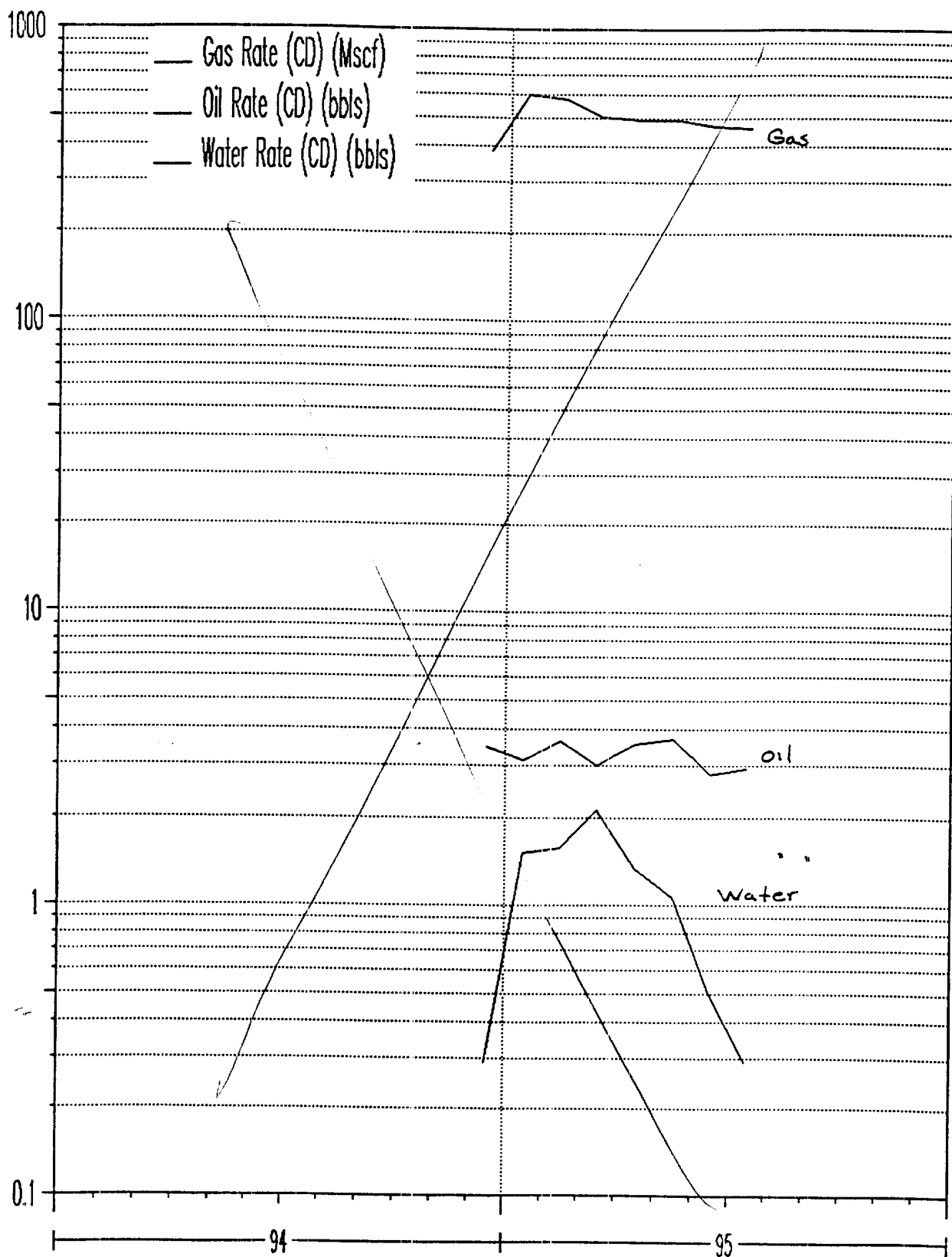
UNOCAL, RINCON UNIT, RIO ARRIBA COUNTY, NEW MEXICO

WELL #186M



UNOCAL, RINCON UNIT, RIO ARriba COUNTY, NEW MEXICO

WELL #187E



Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, I Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811



October 30, 1995

Central Resources Inc.
1776 Lincoln Street #1010
Denver, CO 80203

Greetings:

Union Oil Company of California (UNOCAL) has requested, from the State of New Mexico, Oil Conservation Division, approval to downhole commingle production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit wells, Rio Arriba County, New Mexico.

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186M	1670' FSL, 1240' FWL, S33, T27N, R7W
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If you have any objections to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact me at (505) 632-1811 ext. 14.

Sincerely,

Union Oil Company of California
d.b.a. UNOCAL

Brett H. Liggett
Production Engineer

Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, P.O. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811



October 30, 1995

Universal Resources Inc.
1331 Central Street #300
Denver, CO 80202

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Union Oil Company of California
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Brett H. Liggett
Production Engineer

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Unocal Corporation
913 West Broadway, Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811



October 30, 1995

Meridian Oil Co.
3535 E. 30th St.
Farmington, New Mexico 87402

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186M 187E	1670' FSL, 1240' FWL, S33, T27N, R7W 790' FSL, 990' FEL, S35, T27N, R7W

If you have any objections to this proposal, please notify NMOCD within twenty days. If you have any questions regarding this application, please contact me at (505) 532-1811 ext. 14.

Sincerely,

Union Oil Company of California
d.b.a. UNOCAL



Brett H. Liggett
Production Engineer



October 30, 1995

Amoco Production Co.
200 Amoco Ct.
Farmington, New Mexico 87401

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Union Oil Company of California (UNOCAL) has requested, from the State of New Mexico, Oil Conservation Division, approval to downhole commingle production from the Blanco Mesa Verde and Basin Dakota formations in the following Rincon Unit wells, Rio Arriba County, New Mexico.

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Sincerely,

Union Oil Company of California
d.b.a. UNOCAL


Brett H. Liggett
Production Engineer

Unocal Oil & Gas Division
Unocal Corporation
913 West Broadway, P. Box 850
Bloomfield, New Mexico 87413
Telephone (505) 632-1811



October 30, 1995

Louis Dryefus Natural Gas Co.
PO BOX 2993
Farmington, New Mexico 87499

Greetings:

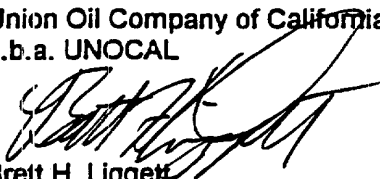
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Production Engineer

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Unocal Corporation
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Bloomfield, New Mexico 87413
Telephone (505) 632-1811



October 30, 1995

United State Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

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