

OIL CONSERVATION
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UNOCAL 76

June 28, 1994

CERTIFIED--RETURN RECEIPT REQUESTED

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

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

Dear Sirs:

Union Oil Company of California (UNOCAL) requests permission to downhole commingle production from the Blanco Mesaverde and Basin Dakota formations in the following wells in Rio Arriba County, New Mexico:

WELL	LOCATION
Rincon Unit No. 138E	790' FSL, 790' FEL Sec. 25, T27N, R7W
Rincon Unit No. 133E	790' FNL, 445' FWL Sec. 14, T27N, R7W
Rincon Unit No. 128M	1175' FSL, 1885' FEL Sec. 28, T27N, R6W
Rincon Unit No. 139E	1980' FNL, 1980' FWL Sec. 25, T27N, R7W
Rincon Unit No. 178E	1500' FSL, 1290' FEL Sec. 23, T27N, R7W
Rincon Unit No. 131E	1145' FNL, 1525' FWL Sec. 36, T27N, R7W
Rincon Unit No. 185E	2100' FSL, 1610' FEL Sec. 22, T27N, R7W
Rincon Unit No. 149E	1900' FNL, 1365' FWL Sec. 30, T27N, R7W

As Provided by Order No. R-9893, administrative approval may be granted without notice and hearing.

In 1993, UNOCAL tested 22 Blanco Mesaverde/Basin Dakota wells for downhole commingling in the Rincon Unit. Every well subsequently qualified. Because of the extensive bottomhole pressure data and productivity data currently available, UNOCAL proposes to allocate production based on the average allocation factor of these wells.

As required for an exception to rule 303-A, the following information is attached:

1. An acreage dedication plat showing offset lease ownership.
2. A Form C-116 showing current productivity from each zone.
3. A wellbore diagram with completion detail.
4. A measured bottomhole pressure from each zone and a calculated adjustment to a common datum.
5. Gas analyses from each zone.
6. An allocation formula for commingled production.
7. A copy of the notification letter sent to all offset operators and the Bureau of Land Management.

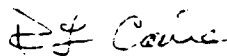
The Blanco Mesaverde formation is uneconomic to drill as a stand alone well. To develop these reserves, a dual or commingled completion is required. We estimate an ultimate recovery of 530 MMCF from the Mesaverde horizon, which would otherwise remain undeveloped. Also, commingling will allow for better lift of liquids production and benefits from compression.

Both zones produce essentially dry gas. Therefore, the respective formation fluids are compatible. Also, no crossflow will occur between the commingled zones.

If you have any questions, please contact Dana Delventhal at (505) 632-1811. Thank you for your consideration in this matter.

Sincerely,

Union Oil Company of California
dba UNOCAL



Bob Caine
Field Foreman

Attachments
DLD

OFFSET LEASE OWNERSHIP

R 7 W

R 6 W

23	<div>EL PASO 79298C</div> <div>24</div>	19
26	<div>RINCON UNIT #139E</div> <div>25</div>	30
35	36	31

T 27 N

RINCON UNIT #139E: PROPOSED

1980' FNL, 1980' FWL
Sec. 25, T27N, R7W

8 5/8", 24# CSA 350'
CMT W/ 250 SX CMT

DV TOOL AT 5000'

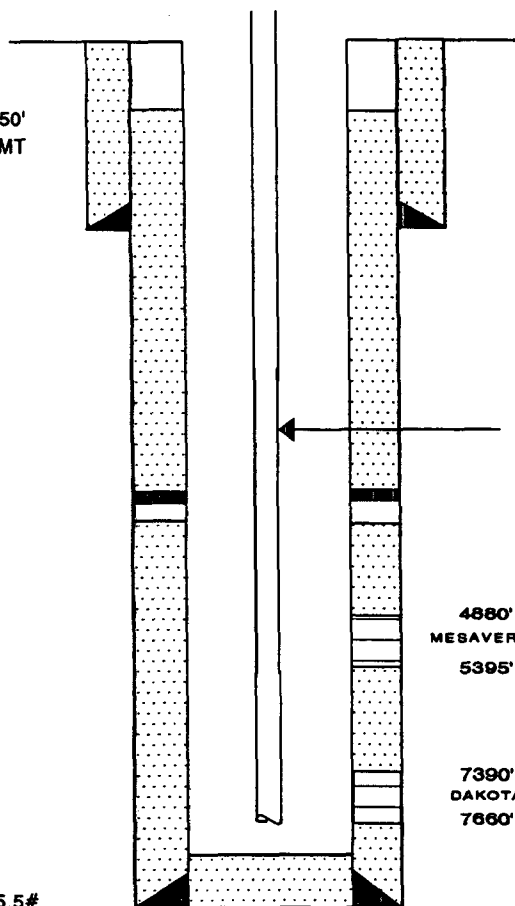
PBD 7738'

5 1/2", 17# AND 15.5#
CASING SET AT 7780'

2 3/8", 4.7# TBG AT 7600'

4880'
MESAVERDE
5395'

7390'
DAKOTA
7660'



BOTTOMHOLE PRESSURE DATA

WELL	MESAVERDE BHP	DAKOTA BHP
Rincon Unit No. 1E	1156 psi	1690 psi
Rincon Unit No. 125M	789 psi	1548 psi
Rincon Unit No. 126	660 psi	850 psi
Rincon Unit No. 126M	921 psi	1607 psi
Rincon Unit No. 127	512 psi	580 psi
Rincon Unit No. 127M	716 psi	1280 psi
Rincon Unit No. 128	801 psi	781 psi
Rincon Unit No. 129	806 psi	836 psi
Rincon Unit No. 129M	1053 psi	935 psi
Rincon Unit No. 130	586 psi	622 psi
Rincon Unit No. 135	481 psi	736 psi
Rincon Unit No. 136E	1139 psi	2199 psi
Rincon Unit No. 137	400 psi	686 psi
Rincon Unit No. 149	471 psi	521 psi
Rincon Unit No. 151M	1228 psi	1862 psi
Rincon Unit No. 158M	1231 psi	766 psi
Rincon Unit No. 159M	603 psi	583 psi
Rincon Unit No. 167M	1007 psi	1909 psi
Rincon Unit No. 170M	940 psi	1752 psi
Rincon Unit No. 175M	735 psi	1108 psi
Rincon Unit No. 180M	585 psi	788 psi
Rincon Unit No. 184M	<u>1753 psi</u>	<u>1708 psi</u>
AVERAGE	<u>844 psi</u>	<u>1152 psi</u>

PROPOSED ALLOCATION FORMULA

WELL	MESAVERDE		DAKOTA	
	GAS	OIL	GAS	OIL
Rincon Unit No. 1E	38%	50%	62%	50%
Rincon Unit No. 125M	56%	50%	44%	50%
Rincon Unit No. 126	17%	29%	83%	71%
Rincon Unit No. 126M	52%	50%	48%	50%
Rincon Unit No. 127	20%	0%	80%	100%
Rincon Unit No. 127M	17%	50%	83%	50%
Rincon Unit No. 128	17%	0%	83%	100%
Rincon Unit No. 129	8%	0%	92%	100%
Rincon Unit No. 129M	27%	100%	73%	0%
Rincon Unit No. 130	7%	7%	93%	93%
Rincon Unit No. 135	30%	29%	70%	71%
Rincon Unit No. 136E	8%	50%	92%	50%
Rincon Unit No. 137	13%	0%	87%	100%
Rincon Unit No. 149	11%	0%	89%	100%
Rincon Unit No. 151M	26%	50%	74%	50%
Rincon Unit No. 158M	49%	50%	51%	50%
Rincon Unit No. 159M	56%	50%	44%	50%
Rincon Unit No. 167M	21%	0%	79%	100%
Rincon Unit No. 170M	25%	50%	75%	50%
Rincon Unit No. 175M	39%	0%	61%	100%
Rincon Unit No. 180M	61%	50%	39%	50%
Rincon Unit No. 184M	<u>4%</u>	<u>0%</u>	<u>96%</u>	<u>100%</u>
AVERAGE	<u>27%</u>	<u>30%</u>	<u>73%</u>	<u>70%</u>

UNOCAL 76

June 28, 1994

United States Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

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If you have any objections to this proposal, please notify the NMOCD within twenty (20) days. If you have any questions about this application, please contact Dana Delventhal at (505) 632-1811.

Sincerely,

Union Oil Company of California
dba UNOCAL



Bob Caine
Field Foreman

UNOCAL 76

June 28, 1994

Amoco Production Company
P. O. Box 800
Denver, CO 80201

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Union Oil Company of California
dba UNOCAL



Bob Caine
Field Foreman

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Caulkins Oil Company
1997 East Blanco Blvd.
Bloomfield, NM 87413

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Union Oil Company of California
dba UNOCAL



Bob Caine
Field Foreman

UNOCAL 76

June 28, 1994

Meridian Oil, Inc.
P. O. Box 4289
Farmington, NM 87499

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