

Unocal Oil & Gas Division
Unocal Corporation
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May 24, 1991

Farmington District

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

RECEIVED

JUL 1 1991
OIL CONSERVATION DIVISION

SUBJECT:

Requesting Approval for
Exception to Rule 303-A
Rincon Unit No. 175-M Well
NW/4, 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 gas production from its Rincon Unit No. 175-M well, Rio Arriba County, New Mexico. The following describes and demonstrates how Unocal proposes to allocate gas production under the context of BLM Onshore Oil and Gas Order No. 5, Measurement of Gas.

The Rincon Unit No. 175-M well is a development gas well scheduled to be drilled by Unocal in the summer of 1991. The well is to be completed as a dual Dakota and Mesa Verde producer. The local gas gathering company, El Paso Natural Gas (EPNG), has requested that Unocal deliver this gas to a pre-determined tie-in point on their gathering system. EPNG will set the sales meter at this tie-in point. The tie-in point for the sales meter is approximately 3300' from the wellhead along the proposed right-of-way (Attachment No. 1). This would require two flow lines to be laid to the sales meters at the tie-in point.

Unocal is proposing to set two allocation meters at the well site and measure oil and gas from each stream separately. Downstream of the allocation meters the gas will be surface commingled in the flow line. The gas will flow downstream to be measured again at the EPNG sales meter (Attachment No. 2). Royalties will be paid based on the gas volume measured at the sales meter, and liquid volumes sold from the tanks.

The proposed location is within existing Dakota and Mesa Verde participating areas within the Rincon Unit. The leases are federal leases and they are described in Attachment No. 3. The royalty in the two formations is the same.

Mr. Wayne Townsend of the Farmington, NM, BLM office was contacted for his opinion of this proposal. Mr. Townsend advised Unocal to denote the surface commingling in the pipeline right-of-way Sundry notice. He suggested that approval of the right-of-way would also imply approval of the surface commingling.

Unocal is requesting from the New Mexico Oil Conservation Division, approval for surface commingling of the produced gas and of the following method for allocating the production from the central meter to the individual zones. Unocal will calculate a monthly allocation factor, as shown in Exhibit #4, part I. The allocation factor, will then be used as illustrated in Exhibit #4, part II, to determine individual meter volumes. To ensure the accuracy of the individual meters, Unocal will continue to calibrate, perform orifice plate inspections, and settlement tests as described in BLM Onshore Oil and Gas Order No. 5, Measurement of Gas.

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,

A handwritten signature in black ink, appearing to read "Glen O. Papp", written in a cursive style.

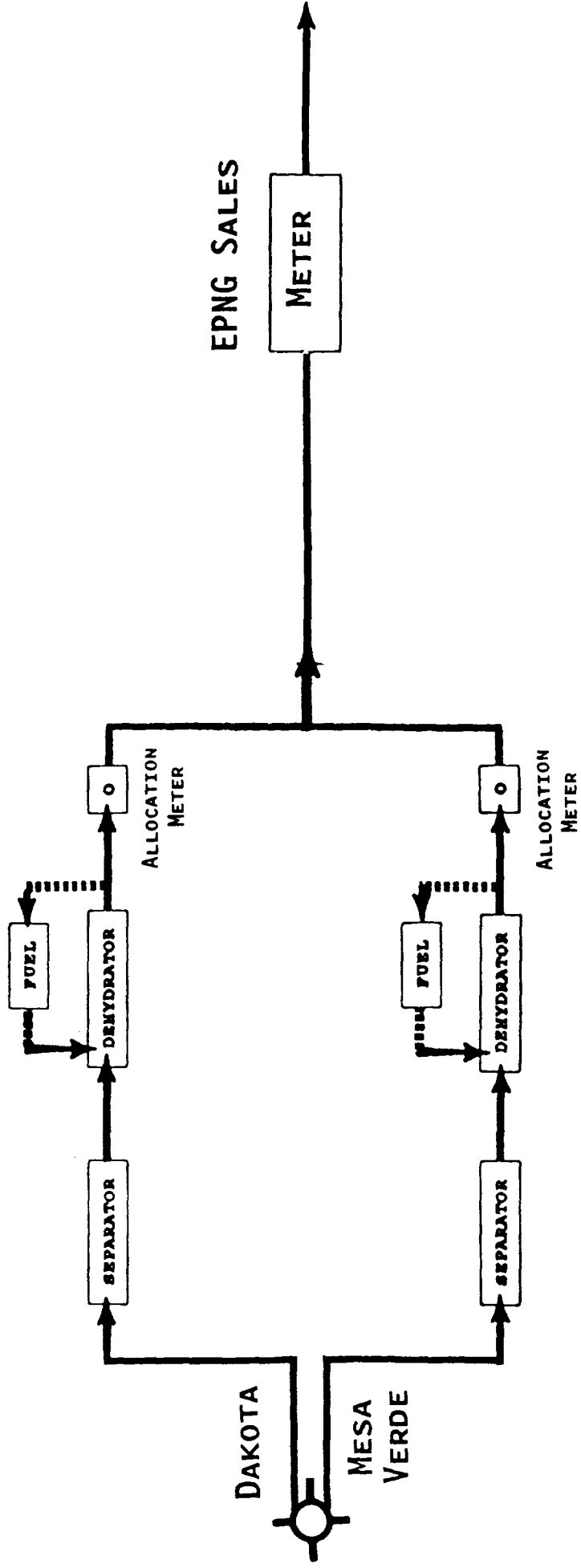
Glen O. Papp
District Production Engineer

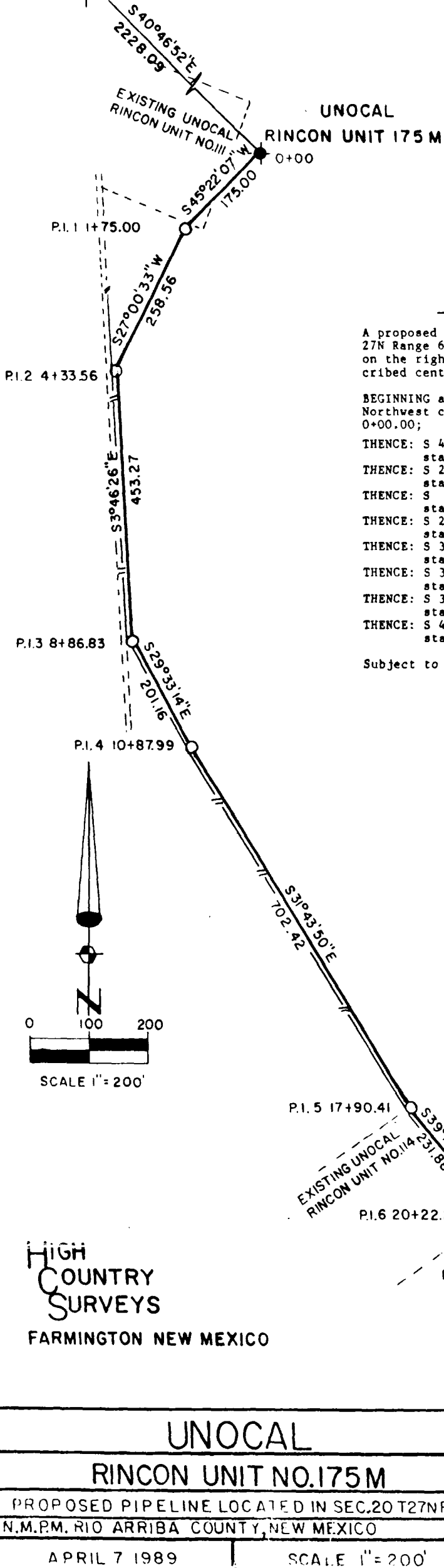
UNOCAL 

GAS ACCOUNTING SCHEMATIC

RINCON UNIT #175-M

RIO ARriba COUNTY, NEW MEXICO





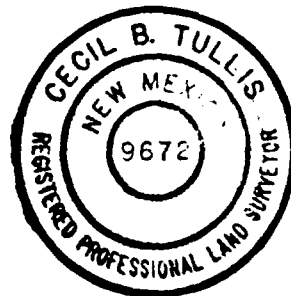
PROPOSED PIPELINE R.O.W. FOR RINCON UNIT #175M

A proposed 50.00 feet wide right-of-way located in Section 20 Township 27N Range 6W N.M.P.M., Rio Arriba County, New Mexico. Being 20 feet on the right side and 30 feet on the left side of the following described centerline;

BEGINNING at a point that is 2228.09 feet S 40°-46'-52" E from the Northwest corner of said Section 20, and being Surveyor's station 0+00.00;

THENCE: S 45°-22'-07" W	175.00 feet to P.I. 1, being Surveyor's station 1+75.00
THENCE: S 27°-00'-33" W	258.56 feet to P.I. 2, being Surveyor's station 4+33.56
THENCE: S 3°-46'-26" E	453.27 feet to P.I. 3, being Surveyor's station 8+86.83
THENCE: S 29°-33'-14" E	201.16 feet to P.I. 4, being Surveyor's station 10+87.99
THENCE: S 31°-43'-50" E	702.42 feet to P.I. 5, being Surveyor's station 17+90.41
THENCE: S 39°-16'-05" E	231.88 feet to P.I. 6, being Surveyor's station 20+22.29
THENCE: S 32°-13'-04" E	230.81 feet to P.I. 7, being Surveyor's station 22+53.10
THENCE: S 40°-14'-31" E	1007.47 feet to E.O.L., being Surveyor's station 32+60.57 and on the center of an existing pipeline.

Subject to any easements of record or in existence.



I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.

Cecil B. Tullis
Cecil B. Tullis N.M. Reg. No. 9672

EXHIBIT #3

FEDERAL LEASE #	# ACRE	LOCATION
SF-079366	320	T-27-N, R-6-W, SEC. 20 N/2

OTHER WELLS ON LEASE #SF-079366

WELL #	PRODUCING ZONE	LOCATION
111	PICTURED CLIFFS	1748' FN & 1190' FW, SEC. 20, T-27-N, R-6-W
175	DAKOTA	1840' FN & 1760' FE, SEC. 20, T-27-N, R-6-W
52	PICUTED CLIFFS	1650' FN & 990' FE, SEC. 20, T-27-N, R-6-W
113	MESA VERDE	1500' FN & 800' FE, SEC. 20, T-27-N, R-6-W

EXHIBIT #4

ALLOCATION CALCULATIONS

I) Allocation Factor (AF):

$$AF = \frac{\text{Integrated Central Meter Volume; MCF/MO}}{\sum_{1}^2 \text{ Integrated Individual Meter Volumes, MCF/MO}}$$

II) Allocation To Individual Zones:

Zone	Integrated Individual Meter Volume	Monthly AF	Allotted Volume (MCF/MO)
Mesa Verde	Vol ₁	AF	Vol ₁ x AF
Dakota	Vol ₂	AF	Vol ₂ x AF