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July 17, 1991

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RECEIVED

JUL 17 1991

OIL CONSERVATION DIVISION

10375

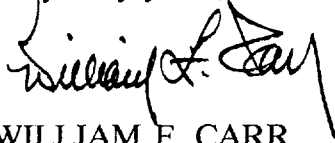
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Union Oil Company of California d/b/a Unocal, for Directional Drilling, an Unorthodox Gas Well Location, and Simultaneous Dedication, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced application of Union Oil Company of California d/b/a Unocal. Union Oil Company of California respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on August 22, 1991.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures:

Mr. Bill Hering
Union Oil Company of California
3300 North Butler Avenue, Suite 200
Farmington, New Mexico 87401

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF UNION OIL COMPANY OF CALIFORNIA
d/b/a UNOCAL FOR DIRECTIONAL DRILLING,
AN UNORTHODOX GAS WELL LOCATION,
AND SIMULTANEOUS DEDICATION,
RIO ARriba COUNTY, NEW MEXICO.

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OIL CONSERVATION DIVISION

CASE NO. 10375

APPLICATION

COMES NOW UNION OIL COMPANY OF CALIFORNIA, d/b/a UNOCAL, through its undersigned attorneys, and hereby makes application pursuant to Oil Conservation Division Rule 111 for approval of its Rincon Unit Well No. 254 which has been directionally drilled to the Pictured Cliffs formation, South Blanco-Pictured Cliffs Gas Pool, and for approval of an unorthodox well location and simultaneous dedication, and in support of this application states:

1. Applicant is the operator of the South Blanco-Pictured Cliffs Gas Pool, underlying the NE/4 of Section 20, Township 27 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. Unocal's Rincon Unit Well No. 52 located 1575 feet from the North line and 1050 feet from the East line of Section 20, is currently producing from this proration unit in the Pictured Cliffs formation at the rate of approximately 15 mcf per day.

2. Pursuant to Oil Conservation Division Administrative Order No. DD-34H, Unocal directionally drilled its Rincon Unit Well No. 254 in 1990 from a surface location

1419 feet from the North line and 794 feet from the East line of Section 20, through the Fruitland formation, to a bottomhole location in the Pictured Cliffs formation 1411 feet from the North line and 1648 feet from the East line of Section 20 to test the Fruitland formation, Basin-Fruitland Coal Gas Pool.

3. Unocal was unable to complete the Rincon Unit Well No. 254 as a commercial producer in the Fruitland formation and now desires to recomplete the well in the South Blanco-Pictured Cliffs Gas Pool at an unorthodox location in the Pictured Cliffs formation 1411 feet from the North line and 1648 feet from the East line of Section 20.

4. Unocal seeks authority to simultaneously dedicate the NE/4 of Section 20 to its Rincon Unit Wells Nos. 52 and 254. Since the South Blanco-Pictured Cliffs Gas Pool is a prorated pool, Unocal also seeks authority to produce the 160-acre Pictured Cliffs allowable assigned to this proration unit from either wells located thereon.

5. Attached to this application is a copy of Unocal's application for administrative approval to directionally drill its Rincon Unit Well No. 254.

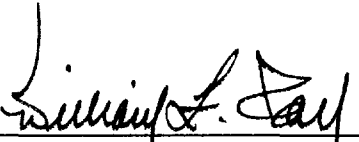
6. Approval of this application will enable Unocal to produce hydrocarbons that otherwise would not be produced and will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Union Oil Company of California d/b/a Unocal hereby requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 22, 1991, that notice be given as required by law and the rules of the Division, and that the Division enter its order approving the directional drilling

of Unocal's Rincon Unit Well No. 254, approving an unorthodox location in the Pictured Cliffs formation for this well, and approving the simultaneous dedication of the NE/4 of Section 20 to the Rincon Unit Well Nos. 52 and 254.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR UNION OIL
COMPANY OF CALIFORNIA
d/b/a UNOCAL

Unocal Oil & Gas Division
Unocal Corporation
3300 North Butler Avenue
Suite 200
Farmington, New Mexico 87401
Telephone (505) 326-7600
Fax: (505) 326-6145



April 20, 1990

Paul T. West
District Production Manager
Farmington District

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APR 20 1990

OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RE: Application of Union Oil Company of California for a Highly
Deviated Directional Drilling Project, Rincon Unit, Rio Arriba
County, New Mexico

Dear Mr. LeMay:

Union Oil Company of California hereby makes application for administrative approval for a highly deviated directional drilling pilot project in the N/2 of Section 20, Township 27 North, Range 6 West, Rio Arriba County, New Mexico, forming a standard 320-acre coal gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool for its Rincon Unit No. 254 Well. This highly deviated directional drilling pilot project qualifies for administrative approval pursuant to the provisions of Rule 9 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as follows:

1. The surface location of the proposed well is at a standard location 1,419 feet from the North line and 794 feet from the East of Section 20. The bore hole will not enter or exit the coalbed seams outside of a drilling window which is in accordance with the setback requirements of Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, for it will be no closer than 790 feet to the outer boundary of the unit nor closer than 130 feet to any quarter section line as shown on the copy of OCD Form C-102 which is attached to this application.

2. This well is located within the Rincon Unit and there are no operators or owners of undrilled tracts to whom copies of this application are to be furnished pursuant to Rule 9(B). A map of the Rincon Unit is attached to this application showing the location of the proposed well relative to unit boundaries.

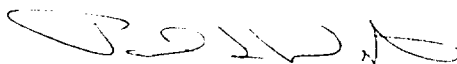
3. A schematic drawing and footage tabulation of the proposed well is attached to this application which describes the casing, tubing, perforated interval, kick-off point, and proposed trajectory of the drain hole section.

William J. LeMay, Director
Oil Conservation Division
April 20, 1990
Page Two

4. Union Oil Company of California during, or upon completion of drilling operations, will conduct a directional survey on the vertical and lateral portions of the wellbore and submit a copy of this survey to the Santa Fe and Aztec Offices of the Division.

Since there is no offsetting operator or offsetting owner of an undrilled tract, there are no parties from whom waivers of objection are required pursuant to Rule 9. Union Oil Company of California, therefore, requests that the Director approve this application for a highly deviated directional drilling pilot project.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'P. T. West', is written above the printed name.

Union Oil Company of California
dba Unocal

Paul T. West
District Production Manager

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator UNION OIL CO. OF CALIFORNIA			Lease RINCON UNIT		Well No. 254
Unit Letter H	Section 20	Township T.27 N.	Range R.6 W.	County RIO ARRIBA COUNTY	
Actual Footage Location of Well: 1419 feet from the NORTH line and 794 feet from the EAST line					
Ground level Elev. 6579	Producing Formation FRUITLAND COAL		Pool BASIN FRUITLAND COAL		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

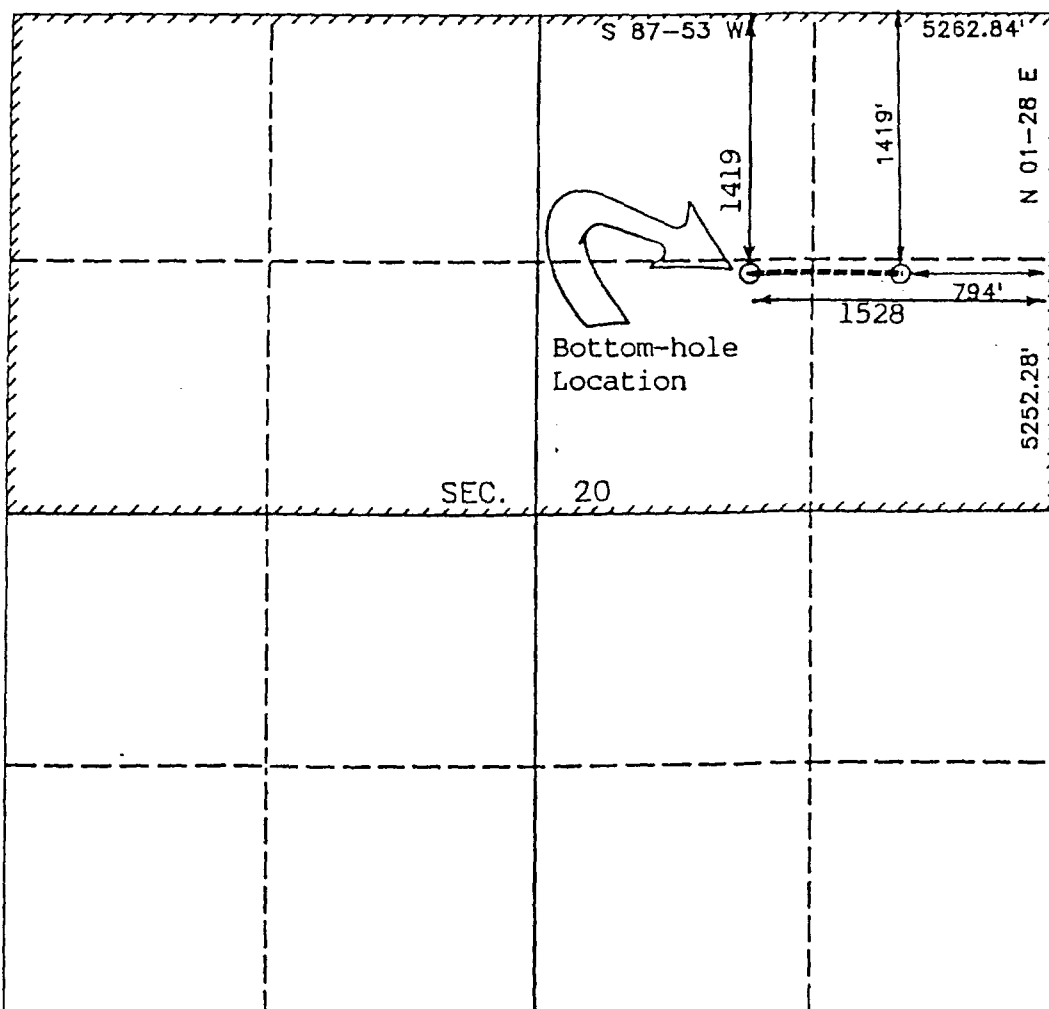
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

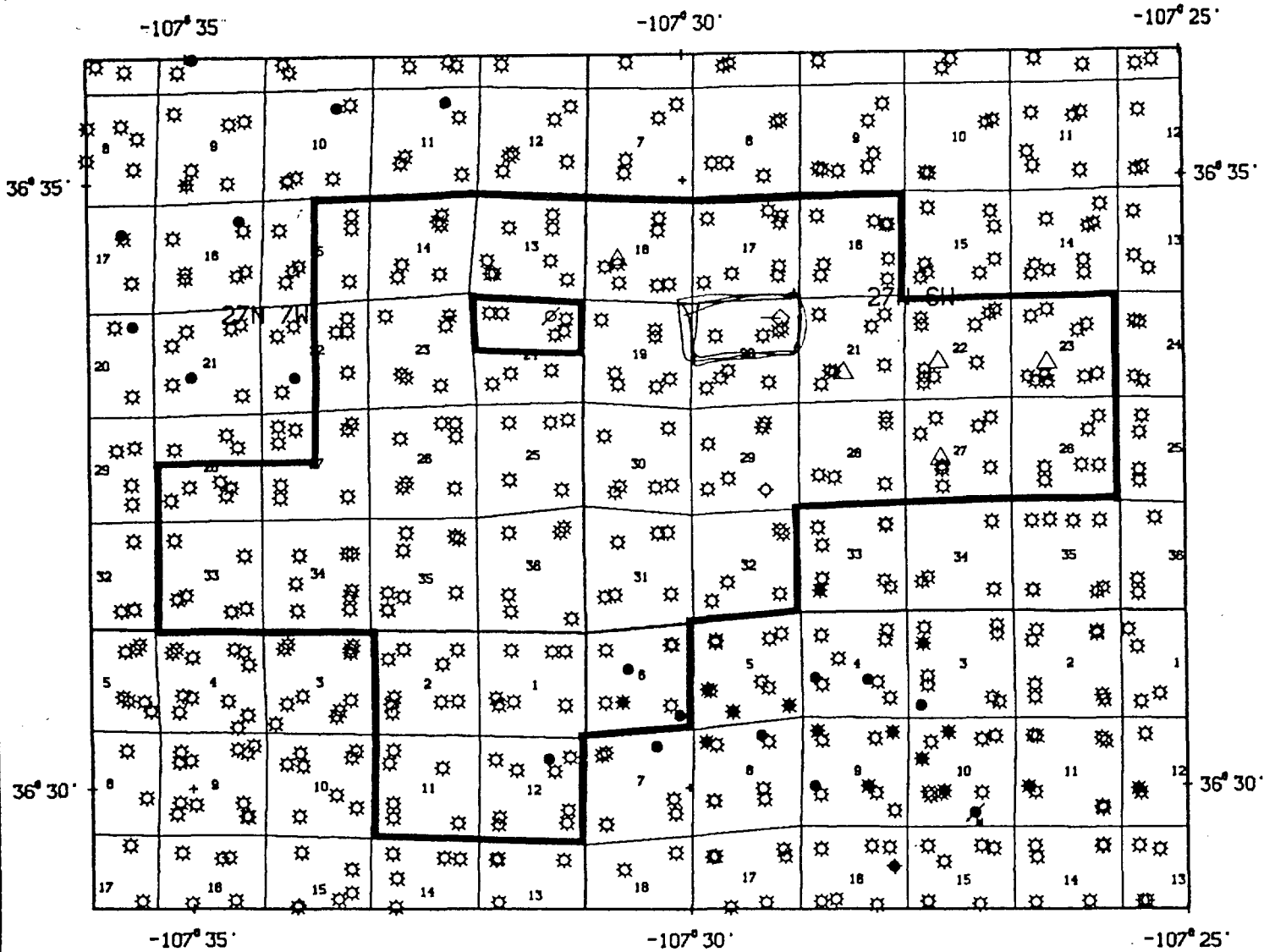
Signature
William Hering
Printed Name
William Hering
Position
District Petroleum Eng.
Company
Union Oil Co. of Calif.
Date
April 9, 1990

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

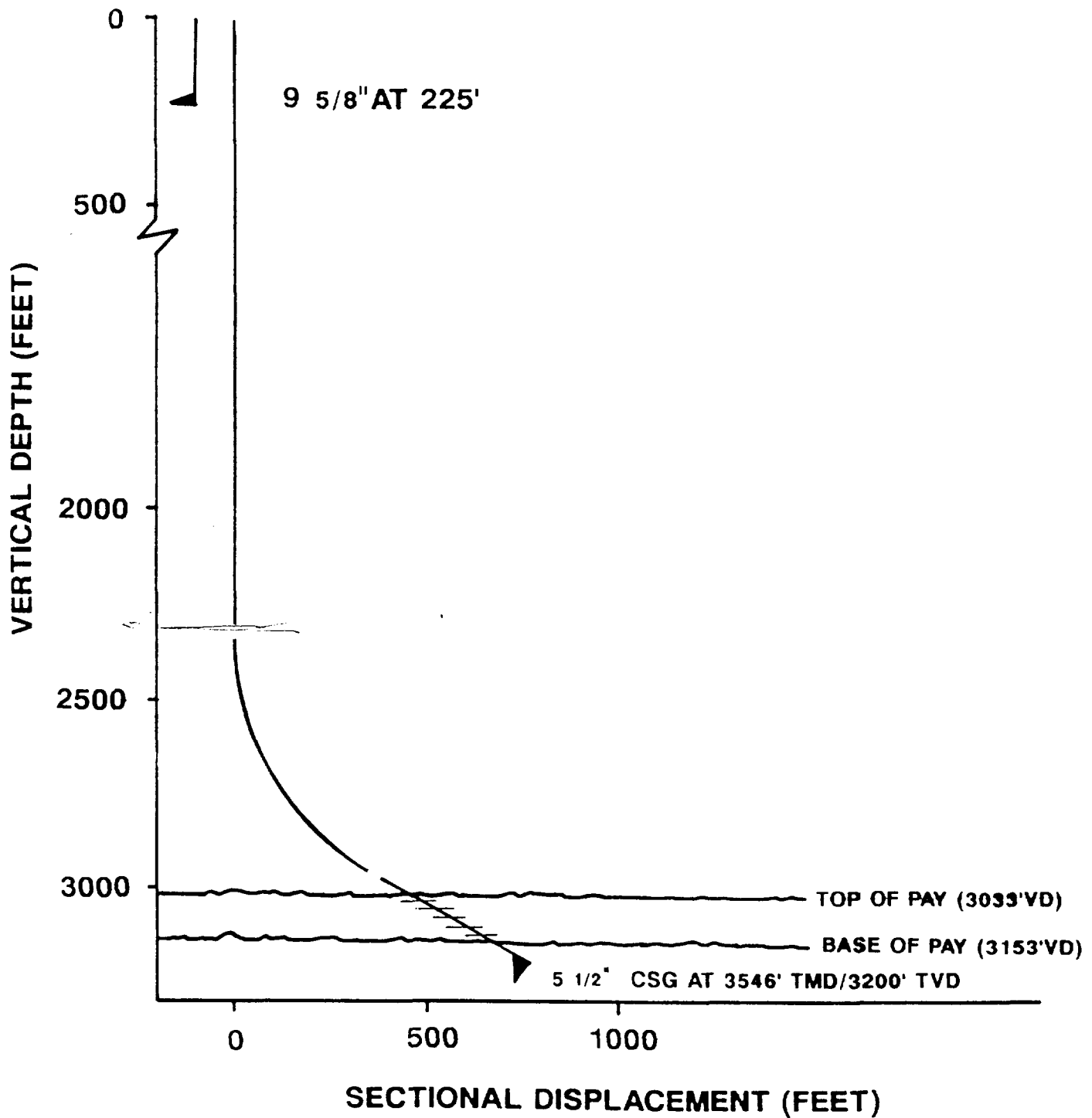
Date Surveyed
APR 8, 1990
Signature & Seal
R. Howard Dagge
R. HOWARD DAGGE
Professional Land Surveyor
Certificate No.
9678
Registered Professional Land Surveyor

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0





RINCON UNIT WELL NO. 254
SECTION VIEW OF 60 DEGREE WELLBORE



Rincon Well No. 254 - Directional Plan for 60 deg well

Surface Loc: 1,419 ' FNL & 794 ' FEL, Sec 20, T27N-R6W

Vertical Depths-

Top of Pay: 3,033.0
Base of Pay: 3,153.0
Bottom Hole: 3,200.0

Build Rate: 8.0 degrees/100' Directed: Due WEST
Kick Off Pt.: 2,362.0 Section: 270.0 deg

				y-axis	x-axis
Point	Comment	M. Depth	Angle	V. Depth	Section
0	Surface	0.0	0.0	0.0	0.0
1	KOP	2,362.0	0.0	2,362.0	0.0
2		2,462.0	8.0	2,461.8	7.0
3		2,562.0	16.0	2,559.6	27.8
4		2,662.0	24.0	2,653.5	62.0
5		2,762.0	32.0	2,741.8	108.9
6		2,862.0	40.0	2,822.8	167.7
7		2,962.0	48.0	2,894.7	237.1
8		3,062.0	56.0	2,956.3	315.9
9		3,112.0	60.0	2,982.8	358.3
10	Top Pay	3,212.4	60.0	3,033.0	445.3
11	Base Pay	3,452.3	60.0	3,153.0	653.0
12	BH Loc	3,546.3	60.0	3,200.0	734.4

Top Pay: 1,419 ' FNL & 1,239 ' FEL, Sec 20, T27N-R6W
Base Pay: 1,419 ' FNL & 1,447 ' FEL, Sec 20, T27N-R6W
BHL: 1,419 ' FNL & 1,528 ' FEL, Sec 20, T27N-R6W