

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10375

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA d/b/a UNOCAL FOR
A HIGH ANGLE DIRECTIONAL DRILLING
PILOT PROJECT, SPECIAL OPERATING RULES
THEREFOR, UNORTHODOX GAS WELL LOCATION,
AND SIMULTANEOUS DEDICATION,
RIO ARriba COUNTY, NEW MEXICO.

RECEIVED

SEP 13 1991

OIL CONSERVATION DIV.
SANTA FE

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Union Oil Company of California_
d/b/a Unocal
3300 North Butler, Suite 200____
Farmington, New Mexico 87401____
Attn: Bill Hering_____

(505) 326-7600_____
name, address, phone and
contact person

ATTORNEY

William F. Carr_____

Campbell, Carr, Berge & Sheridan_
Post Office Box 2208_____
Santa Fe, New Mexico 87504_____

(505) 326-7600_____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

Union Oil Company of California d/b/a Unocal, applicant, seeks authority to initiate a high angle directional drilling pilot project in an existing 160-acre gas spacing and proration unit in the South Blanco Pictured Cliffs Pool comprising the NE/4 of Section 20, Township 27 North, Range 6 West. The applicant proposes to utilize its existing Rincon Unit Well No. 254 located at an unorthodox surface gas well location 1419 feet from the North line and 794 feet from the East line (Unit H) of said Section 20 and penetrate the Pictured Cliffs formation with a 60 degree angled wellbore oriented in a westerly direction. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the South Blanco Pictured Cliffs Pool, as promulgated by Division Order No. R-8170, as amended. Further, the applicant proposes to simultaneously dedicate production from said well with production from the existing Rincon Unit Well No. 52 located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 20, therefore any provisions adopted for said project area should contain provisions allowing for appropriate exceptions or amendments to the General Rules for the Prorated Gas Pools of New Mexico, as promulgated by said Order No. R-8170, as amended.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

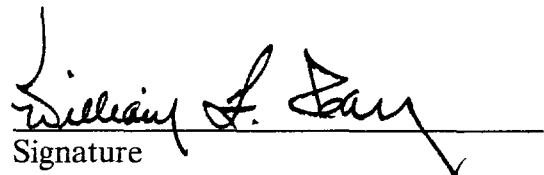
APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Bill Hering, (Petroleum Engineer)	30 Min.	Approximately 10

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS


Signature