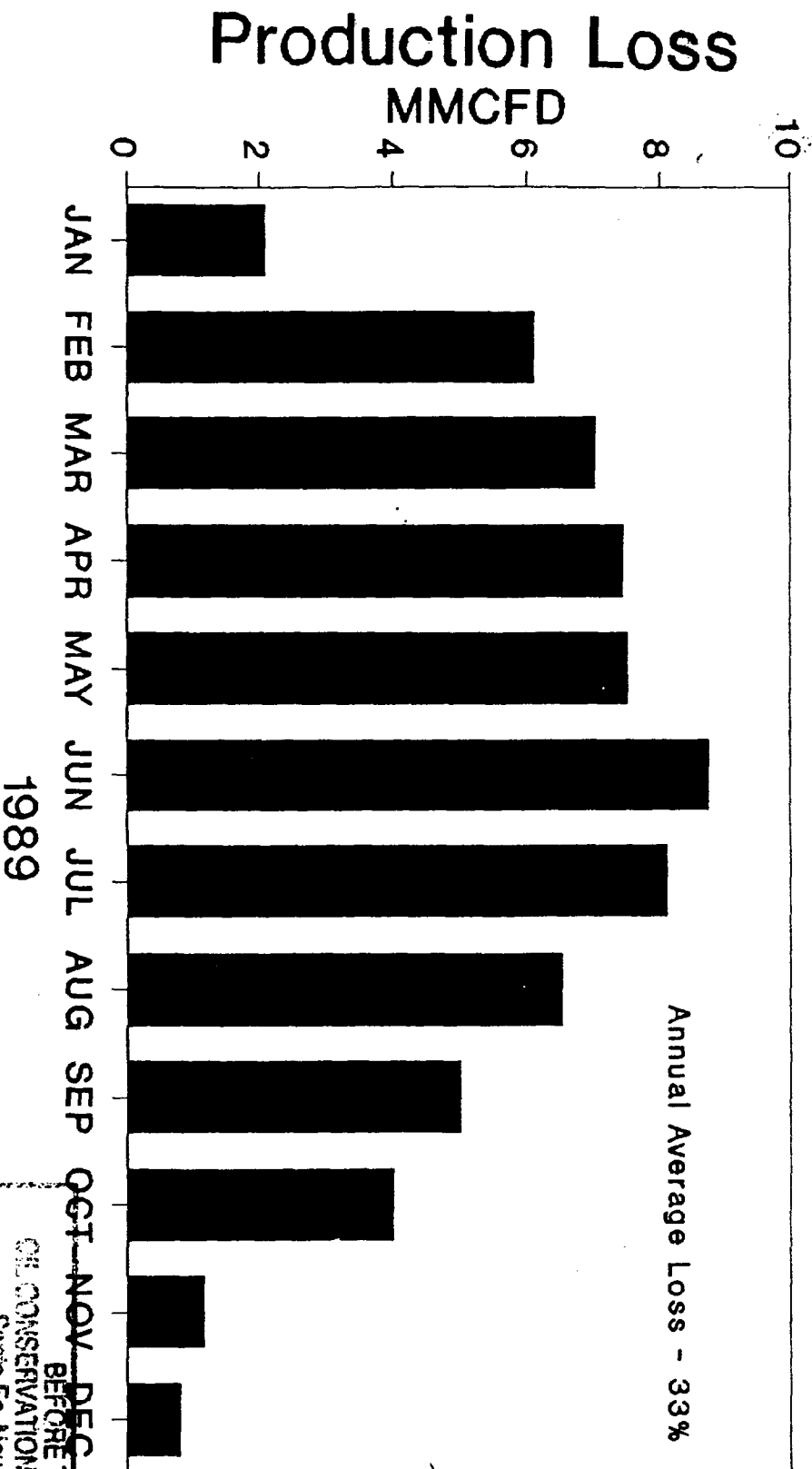


# UNOCAL SAN JUAN BASIN

## Incremental Loss of Production

### 6-Times Versus 12-Times Over-Production



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

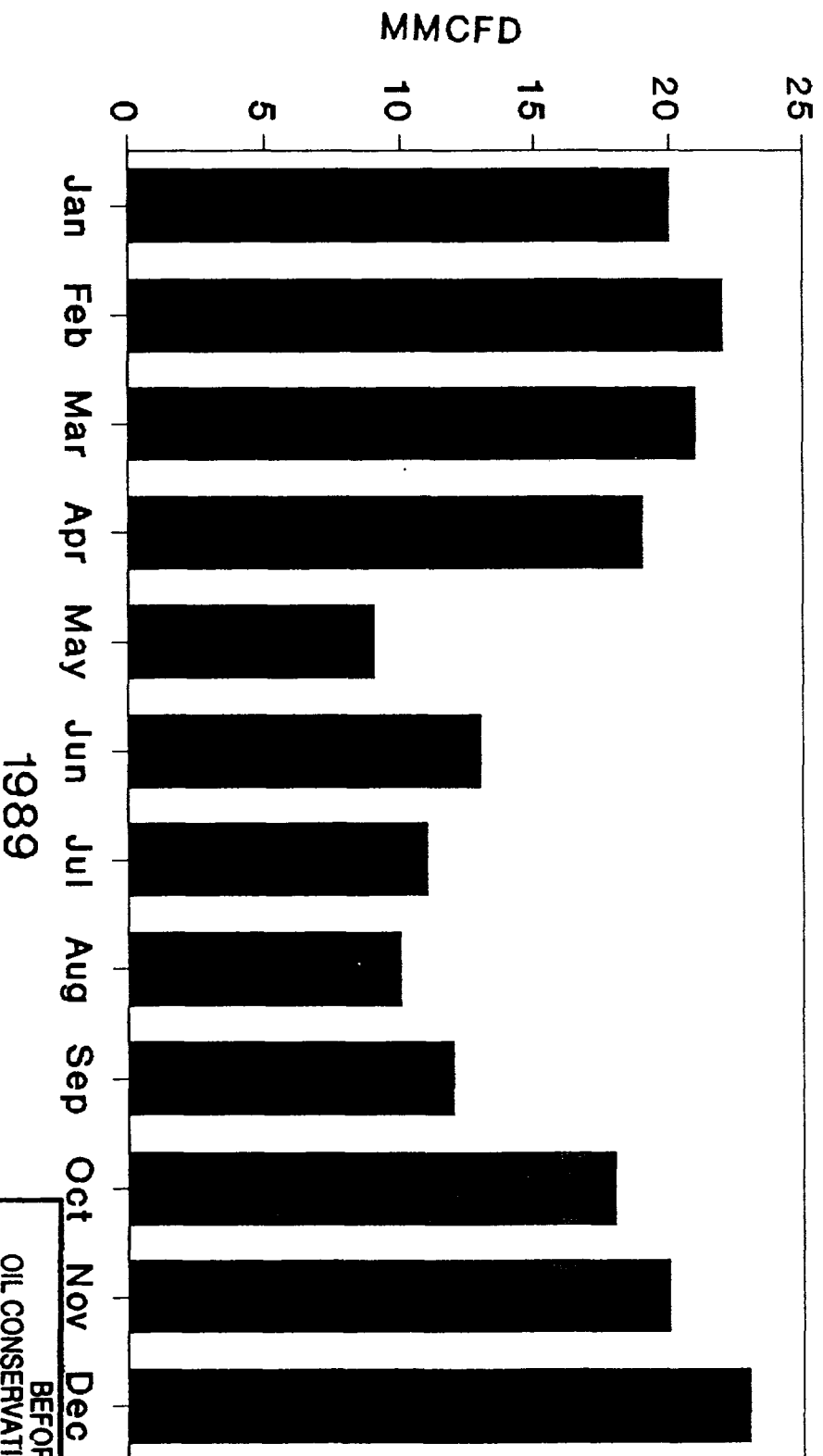
Case No. 9018 Exhibit No. 1

Submitted by UNOCAL

Hearing Date 5/24/90

# UNOCAL SAN JUAN BASIN

## Sales From Prorated Pools



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

Case No. 9018 Exhibit No. 2

Submitted by UNOCAL

Hearing Date 5/24/90

## **ADVANTAGES OF 12-TIMES OVERPRODUCTION**

- **PROVIDES FLEXIBILITY**
  - **OPPORTUNITY TO FLUCTUATE DELIVERIES  
WITH SEASONAL DEMANDS**
  - **PROVIDES BUFFER NEEDED DUE TO  
COMPLEXITIES OF OVERPRODUCTION  
DETERMINATION**

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>9018</u>	Exhibit No. <u>3</u>
Submitted by <u>UNOCAL</u>	
Hearing Date <u>5/24/90</u>	

**IMPACTS OF REDUCING OVERPRODUCTION**  
**ALLOWANCE**

- REDUCED PRODUCTION LEVELS
- SEVERE PRODUCTION LOSS FIRST YEAR  
AFTER IMPOSED REDUCTION
- RISK OF LOSING MARKET SHARE

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>9018</u>	Exhibit No. <u>4</u>
Submitted by <u>UNOCAL</u>	
Hearing Date <u>5/24/90</u>	

## RECOMMENDATIONS

- LEAVE OVERPRODUCTION ALLOWANCE  
CONSTANT (12-TIMES)
- CHANGE THE PRORATION SYSTEM; NOT  
THE AMOUNTS OF OVERPRODUCTION

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>9018</u>	Exhibit No. <u>5</u>
Submitted by <u>UNOCAL</u>	
Hearing Date <u>5/24/90</u>	

## UNOCAL WELL STATISTICS

PRORATED NON-MARGINAL WELLS      166

### NUMBER OF WELLS

CURTAILED IN 1989

DUE TO OVERPRODUCTION      17      10%

### ADDITIONAL WELLS

CURTAILED IF 6-TIMES

OVERPRODUCTION

ALLOWANCE      74      45%

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>9018</u>	Exhibit No. <u>2A</u>
Submitted by <u>UNOCAL</u>	
Hearing Date <u>5/24/90</u>	